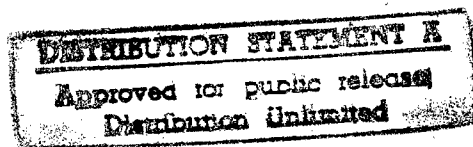


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JPRS-NEA-84-038

7 March 1984



Near East/South Asia Report

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7 March 1984

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

REGIONAL AFFAIRS

INTERNATIONAL AFFAIRS

- Colloquium on Arab-African Labor Movements
(EL MOUDJAHID, 22 Jan 84)..... 1

ARMENIAN AFFAIRS

- Armenian Majlis Deputy Praises Islamic Revolution
(IRNA, 5 Feb 84)..... 3
- Armenian SSR Committee Addresses 'Compatriots Abroad'
(ZARTONK, 22 Jan 84)..... 4
- Armenian Emigre Movement Spokesman Interviewed by SFRY Weekly
(Ara Toranian; NIN, No 1727, 5 Feb 84)..... 6

ISLAMIC AFFAIRS

- Islamic Attitudes Toward Insurance Viewed
(M. Aslam; ARABIA THE ISLAMIC WORLD REVIEW, No 30,
Feb 84)..... 8

ARAB AFRICA

ALGERIA

- Upcoming FLN Party Elections Discussed
(Salamah 'Abd-al-Rahman; KULL AL-'ARAB, No 65,
23 Nov 83)..... 10

EGYPT

President's Tour of Africa Described, Discussed (Ayidah al-'Izab Musa; ROSE AL-YUSUF, No 2903, 30 Jan 84).....	14
Purposes of President's African Tour Reviewed (Mahmud Dhihni; ROSE AL-YUSUF, No 2903, 30 Jan 84).....	18
Nation Hosts Various Meetings With African Commercial Bodies (Aminah Abu-al-Fadl; AL-AHRAM AL-IQTISADI, No 785, 30 Jan 84).....	21

TUNISIA

Early Details on Revised 1984 Budget (DIALOGUE, No 487, 6 Feb 84).....	27
Circumstances Surrounding Bread Riots Recounted (ARABIA THE ISLAMIC WORLD REVIEW, No 30, Feb 84).....	31

ARAB EAST/ISRAEL

IRAQ

Defense Ministry Official Discusses Medals, Ranks (Akram Dhanoon; THE BAGHDAD OBSERVER, 7 Jan 84).....	33
Planning Official Reviews National Progress (Abdul Ghafour Al-Atraqchi; THE BAGHDAD OBSERVER, 12 Dec 83).....	35
Government Policy Encourages Private Industry (THE BAGHDAD OBSERVER, 5 Jan 84).....	39
Achievements, Problems in Manufacturing Reviewed (Hussein Cobba; THE BAGHDAD OBSERVER, 3 Jan 84).....	43
Regional Command Member Opens Baghdad Water Network (THE BAGHDAD OBSERVER, 14 Dec 83).....	47
Irbil Governor Reviews Governorate Public Service Projects (THE BAGHDAD OBSERVER, 24 Dec 83).....	49
State Company Reveals 1984 Construction Plans (THE BAGHDAD OBSERVER, 2 Jan 84).....	51

Irrigation Projects First Phase Completed in Kirkuk (Ala Khalil Nasser; THE BAGHDAD OBSERVER, 12 Nov 83).....	53
Northern Cement Company Posts Production Gains (THE BAGHDAD OBSERVER, 12 Nov 83).....	55
Work Continues on Transportation Network (Hassan A. Hafidh; THE BAGHDAD OBSERVER, 24 Nov 83).....	57

ISRAEL

Public Telephone Company Begins Operation (Judy Siegel; THE JERUSALEM POST, 1 Feb 84).....	60
Luxury Air-Taxi Service to Europe Planned (Joshua Brilliant; THE JERUSALEM POST, 30 Jan 84).....	61
Golan Druze Desirous of Israeli Citizenship (Yoel Dar; THE JERUSALEM POST, 31 Jan 84).....	62

OMAN

Major Road Work Under Construction (Muzaffar Mohammad; TIMES OF OMAN, 9 Feb 84).....	63
Briefs Plans for Health Projects	64

SOUTH ASIA

AFGHANISTAN

Status of Rebels, Operations Against Soviets Explored (Steward Slavin; THE BORNEO POST, 13 Jan 84).....	65
Afghan Mujahidin To Decide Their Own Destiny (KAYHAN INTERNATIONAL, 13 Feb 84).....	67
Mujahidin Reportedly Make Raid Into Soviet Union (NEW STRAITS TIMES, 25 Jan 84).....	68
More Than 100 Mujahidin Reportedly Die in Fighting (NEW STRAITS TIMES, 23 Jan 84).....	69
Many Afghans Reportedly Killed in Air Raids (THE BORNEO POST, 8 Jan 84).....	70

Rebels Reportedly Help Regime To Regain City (THE STAR, 23 Jan 84).....	71
Briefs	
Military Leadership Shakeup.....	72
BANGLADESH	
Press Reports, Comments on PR Barter Protocol (THE BANGLADESH OBSERVER, 5 Jan 84; THE NEW NATION, 7 Jan 84).....	73
Protocol Signed in Beijing 'Genuine' Friendship, Editorial	
IRAN	
Tehran Majlis Deputy Warns Gulf 'Reactionary' States (Tehran Domestic Service, 5 Feb 84).....	75
Tehran Radio Comments on Saddam's Threats (Tehran Domestic Service, 5 Feb 84).....	76
Deputy Says 'Nation Ready To Endure Hardships' (TEHRAN TIMES, 14 Feb 84).....	78
Ten-Day Dawn Guests Express Solidarity With Iran (KAYHAN INTERNATIONAL, 12 Feb 84).....	80
Tehran Arabic Comments on Iraqi Threats (Tehran International Service, 4 Feb 84).....	82
Bank Official Comments on Islamic System (IRNA, 6 Feb 84).....	84
IRNA Carries Papers' Headlines on Iraqi Threat (IRNA, 6 Feb 84).....	85
Briefs	
Radio Quran Commences Broadcast.....	87
Prisoners Attend Friday Prayers.....	87
French Police Arrest Iranians.....	87
PAKISTAN	
Zia Regime Strongly Denounced (NEW TIMES, 28 Jan 84).....	88
U.S. Senate Armed Services Committee Team Leaves (Karachi Domestic Service, 20 Feb 84).....	90

Soviet Ambassador's Remarks, Views Criticized (Editorial; MASHRIQ, 8 Feb 84).....	91
Soviet Ambassador's Statement Termed 'Objectionable' (PAKISTAN TIMES, 5 Feb 84).....	93
Soviet Ambassador Talks About Bilateral Relations (DAWN, 3 Feb 84).....	95
Commentary on Soviet Ambassador's Remarks (Editorial; NAWA-E WAQT, 3 Feb 84).....	97
Iranian Ambassador Talks About Bilateral Relations (DAWN, 3 Feb 84).....	98
Commentary on Indian Diplomat's Kidnapping, Assassination (Editorial; NAWA-E WAQT, 8 Feb 84).....	99
Gulf War: Escalation, Futility Condemned (Editorial; DAWN, 14 Feb 84).....	100
Ji Leader Ghafoor Ahmad Interviewed (ARABIA The Islamic World Review, Feb 84).....	101
Azad Kashmir President Talks About Development (THE MUSLIM, 5 Feb 84).....	104
Ramay Urges Punjab To Play Its 'Due Role' (THE MUSLIM, 6 Feb 84).....	106
NDP Leader Urges Effective Provincial Autonomy (Ashraf Hashmi; THE MUSLIM, 11 Feb 84).....	107
MRD: Movement's Capacity To Effect Change Discussed (Makhdoom Ali Khan; VIEWPOINT, 2 Feb 84).....	109
Official Circles Divided Over Proposed Administrative Reforms (Sikander Hayat; THE MUSLIM, 7 Feb 84).....	113
Pakistan's 'Afghan Predicament' Analyzed (Sajjad Hyder; THE MUSLIM, various dates).....	114
Regime's Economic Policies Criticized, Impact of 1983 Discussed (Mubashir Hasan; THE MUSLIM, 7, 9 Feb 84).....	122
NWFP: Economic Backwardness Highlighted (THE MUSLIM, 7 Feb 84).....	126

Effect of World Bank Policies, Dictates on Pakistan's Economy Examined (Shahid Kardar; VIEWPOINT, 2 Feb 84).....	127
NWFP Governor Says 1985 May Be Zia Regime's Last Year (THE MUSLIM, 10 Feb 84).....	131
MWFP: Need for Industrialization Stressed (THE MUSLIM, 6 Feb 84).....	132
Project Review Board Set Up (MORNING NEWS, 8 Feb 84).....	133
Seminar Compares Goals, Trends of Pakistan, Japan (Shahid-Ur.Rehman; MORNING NEWS, 6 Feb 84).....	134
Statistics on Sind Economy Show Province's Neglect (ARABIA The Islamic World Review, Feb 84).....	137
New Oil Drilling Site Inaugurated (DAWN, 31 Jan 84).....	139
Economic Growth May Fall Short of Target (THE MUSLIM, 6 Feb 84).....	141
Smaller Wheat Harvest Feared (Sikander Hayat; THE MUSLIM, 5 Feb 84).....	142
Concern Over Fall in Overseas Remittances (THE MUSLIM, 1 Feb 84).....	143
Refinery Expansion Project To Be Completed by June (THE MUSLIM, 10 Feb 84).....	144
Release of 'Ailing Leaders' Urged (Editorial; THE MUSLIM, 6 Feb 84).....	146
Briefs	
Sugar to Iran	147
Envoys Present Credentials	147
Japanese Grant Agreements	147
Envoy to Philippines	147
World Bank Loan	147
Proposals for Another Airline	147
Iranian Consulate Thanks Supporters	148

INTERNATIONAL AFFAIRS

COLLOQUIUM ON ARAB-AFRICAN LABOR MOVEMENTS

Algiers EL MOUDJAHID in French 22 Jan 84 p 2

[Text] The colloquium on the actions contemplated by Arab-African labor movements against apartheid and zionism ended its 4 days work, on Thursday afternoon, at the Drareni Institute for Studies and Training which is associated with the General Union of Algerian Workers.

The representatives of the trade union organizations of various Arab-African countries: Lebanon, Mozambique, Benin, Guinea-Bissau, Senegal, Syria, Mali, Iraq, Kuwait, Togo, Gambia, Upper Volta, Libya, Sao Tome and Principe, Algeria, the International Confederation of Arab Trade Unions and the Arab Institute for Worker Education and Labor Research in Baghdad (Iraq) have participated in the scientific colloquium that was organized by the Arab Institute for Worker Education and Labor Research in Algiers which is associated with the Arab Labor Organization.

The goal of the colloquium was to develop cooperation between Arab and African workers and to strengthen Arab-African solidarity to confront imperialism and its natural allies, racism and Zionism, whose objectives is the exploitation of man and the enslavement of people.

The colloquium examined several research papers on the Arab-African labor movements and their struggle against racism and Zionism in Africa, in the Arab world, and in Latin America. The research papers dealt also with the subject of international Zionism.

Moreover, the research papers emphasized the historical, ideological and cultural relations between imperialism, racism and Zionism.

The participants stressed that the racist and Zionist phenomena have the same ideological and philosophical base, i.e., capitalism which in turn is based on the exploitation of man by man, racial segregation, aggression against people, and the implementation of racist laws like the Law of Return and the Nationality Law.

These meetings were followed by debates to develop the themes that were discussed.

A number of recommendations were reached.

The recommendations condemned the racist and Zionist regimes in South Africa and in occupied Palestine and called on workers and their trade unions, whether regional or international, to also condemn racism and Zionism. Moreover, it called for increased efforts to unveil the concepts behind racism and Zionism to mobilize the masses in Africa and the Arab world.

The recommendations also stressed the necessity of unmasking the objectives of these two regimes in international fora, particularly in the Arab Labor Organization.

The recommendations emphasized the necessity of calling on the Organization of African Trade Union Unity, the International Confederation of Arab Trade Unions, the Organization of African Unity, and the Arab League to coordinate their efforts to boycott the two regimes, as well as the Arab and African regimes and trade unions who are allied with these two racist regimes, on the economic, cultural and political levels.

Moreover, the recommendations also underlined the necessity of calling on these organizations to condemn imperialism and its monopolies which support the Zionists and the racists in South Africa.

The recommendations also stressed the necessity of opposing, by using all means, the new Zionist infiltration of Africa.

The participants attempted, through these recommendations, to make their militant rank and file aware of the plans and practices of Zionism and racism and the aggressions of the Pretoria regime against the front-line countries, particularly Angola and Mozambique. The participants condemned the occupation by force of Lebanese territories by the Zionists and hailed the Lebanese-Palestinian resistance to the Zionist occupier under the leadership of the Lebanese National Movement and the Palestine Liberation Organization. Moreover, the participants hailed the struggle of Namibia and the front-line countries.

In conclusion, the participants expressed their appreciation to the Arab Institute for Worker Education and Labor Research in Algiers, to the Algerian Government and people, and the General Union of Algerian Workers for the warm welcome they have received.

CSO: 4519/104

ARMENIAN AFFAIRS

ARMENIAN MAJLIS DEPUTY PRAISES ISLAMIC REVOLUTION

LD052343 Tehran IRNA in English 2020 GMT 5 Feb 84

[Text] Tehran, 5 Feb (IRNA)--Representative of the Armenians of southern Iran, Herach Khachaturian [spelling of name as received] said today that the social life of the Armenians has acquired a new impetus after the victory of the Islamic Revolution.

Speaking to IRNA on the eve of the sixth anniversary of the victorious Islamic Revolution, [words indistinct] participated with higher interest and willingness in their cultural, social and religious affairs and they have grown more confirmed in their faith. He stressed that they were totally free in performing their religious duties and any statement contrary to this was totally unfounded.

In another part, Khachatirian said that Armenian youth were dispatched to the battle fronts after the imposition of the Iraqi war upon the Islamic Republic and a great number have been martyred for this cause.

The fact that an Armenian soldier fought beside his Muslim brethren at the battlefields or he supported the Islamic Revolution and its achievements, showed the common interest, fraternal relations and unity among Muslims and Christians in Iran which has become more noteworthy during and after the Islamic Revolution.

CSO: 4600/372

ARMENIAN AFFAIRS

ARMENIAN SSR COMMITTEE ADDRESSES 'COMPATRIOTS ABROAD'

GF140556 Beirut ZARTONK in Armenian 22 Jan 84 p 2

[Letter from the Armenian SSR society for cultural relations with compatriots abroad to the Armenians overseas--date and place of issue not given]

[Excerpts] Dear compatriots, at the decision of Soviet Armenia's government an artistic parade of the patriotic organizations of the Armenians abroad will be held in the motherland in August 1985. This will include performances by singing, dancing and theatrical groups and individual performances by singers, poets, musicians, and painters.

This significant and beautiful evidence once again reflects the warm care and kind concern of the motherland toward the Armenian immigrants overseas and the continuation of the existence of its exiled children spread throughout the world. Everybody knows very well that the national song, dance, music, poetry, and theatre--that is, the spiritual culture--are the history, soul, psychology, and language of a nation and are a great support for people who do not continuously feel the strength of the paternal land under their feet and do not have the means to live and breathe within the atmosphere of the mother tongue.

We also know what supreme efforts are being made in the Armenian diaspora to continuously revive that culture,

The upcoming parade of the artistic groups of the Armenians abroad which will be held in Armenian will be a significant and great measure for assembling together. The motherland will receive many artistic groups, and individual performers. Through their songs and words under the paternal skies and through the display of their dancing and theatrical arts they will give an account to the motherland, from which they have been separate due to merciless fate, on how they are preserving its ages-old spirit, which is concentrated in culture.

The slogan of the parade is "In the Name of Peace and Progress." When they arrive in the motherland the Armenian representatives overseas and the cultural workers will see with their own eyes what great progress the Armenian people have achieved and how they have become prominent soldiers of human civilization during the past 65 years under the unbreakable baldachin of the Soviet people's friendship. They will also see the peaceful conditions.

Yes, peace has been the oldest and most sacred dream of the Armenian people. When you read our history you will rarely find a time when foreign bandits were not invading and destroying our country. However, for 65 years now the Armenian people have been peacefully building and constructing. Moreover, they are taking the old and destroyed structures out of the ruins and are restoring them.

Yes, peace is the most sacred dream of the Armenian people because it was under the cover of World War I that the merciless atrocity and the first genocide of mankind was perpetrated, the pain and anguish of which still burns in the hearts of the Armenian people with the unextinguishable fire of the Dzidzernakaperd.

We know very well that the majority of the Armenians overseas, along with the progressive and peaceful powers of the countries they live in, are unitedly struggling against the most destructive nuclear terror which is threatening the world. They are struggling to establish peace in the Near East, which due to plots has been turned into a dangerous theatre causing great suffering to the Arab people and to the Armenian people living peacefully with them.

We are confident that the cultural, benevolent, religious organizations of the compatriots abroad, the schools and other educational establishments will be deeply aware of the significance of the parade and begin preparations now for that significant event, thus giving a new momentum to their cultural activity and assembling more youths around them.

We have no doubt that this event will be a really beautiful and great parade and that each song and inspirational word sounded here will once again display the readiness of the paternal people and Armenian compatriots abroad to struggle for peace and progress, which is the slogan of the parade.

[Signed] Society for Cultural Relations With Compatriots Abroad.

CSO: 4605/45

ARMENIAN AFFAIRS

ARMENIAN EMIGRE MOVEMENT SPOKESMAN INTERVIEWED BY SFRY WEEKLY

AU171925 [Editorial Report] Belgrade NIN in Serbo-Croatian No 1727 on 5 February on pages 42-43 carries a 2,000 word report on an interview given by Ara Toranian, director of ARMENIAN STRUGGLE, an Armenian newspaper published in France, and press spokesman of the Armenian National Movement, to Zoran Petrovic in Paris, date not given.

Petrovic states that after a split in the Armenian movement last year, and extremist minority "retained a terrorist orientation. Various interests of forces that deftly use these groups certainly stand behind all this; probably they also help them financially." Petrovic says that Toranian "belongs to the majority of the Armenian community that does not serve any foreign interests."

In the question-and-answer part of the report, Petrovic asks Toranian about the Armenian movements and the assassination of the Turkish ambassador in Belgrade in April 1983, in which a Yugoslav was also killed and two were wounded.

Torianian explains that a split occurred in ASALA, Armee Secrete Armenienne pour la Liberation de l'Armenie [Armenian Secret Army for the Liberation of Armenia] at a congress in al-Biq'a in Lebanon on 16 July 1983. "This split is explained with strategic differences in the Armenian movement between those who give priority to the struggle against responsible personages of the Turkish state or representatives of the Turkish state abroad and in Turkey, and those of the other faction headed by Hagop Hagopian who are, so to speak, supporters of terrorism in all directions." The two Armenians on trial in Yugoslavia belong to another organization, Les Justiciers du Genocide Armenien [Avengers of the Genocide of the Armenians].

Torianian says he does not agree with Hagopian and his ASALA, which committed the attack at Orly airport on 15 July last year. Some 80 percent of the former ASALA have set up ASALA-Movement Revolutionnaire. "This is an organization whose aim it is to turn increasingly to a struggle in Turkey itself, on occupied Armenian territory. It follows a strategy of creating an anti-imperialist front with the progressive forces in that region: the Turkish left, the Kurds, the Cypriots, and so forth."

Torianian says that the actions directed against representatives of the Turkish state "enjoy almost complete support of all the Armenian communities in the

world," but actions such as the one at Orly are criticized by all Armenian communities. "I want to say that the struggle of the Armenian people is not directed against the Turkish people, against the Turks because they are Turks. It is directed against the negation of the existence of the Armenian people, against the negation of the existence of the Kurdish people, against the occupation of Cyprus."

Toranian says that Armenians "created a resistance movement" after 60 years of peaceful struggle yielded no result. This is the third generation of Armenians without a country.

Petrovic asks: "Do you really believe that anybody will allow you to form an independent Armenia within Turkey? To what extent would that be the beginning of the creation of a Great Armenia, a possible merger with Soviet Armenia? Is this an imaginary variation?"

Toranian replies. "Be it as it may, the only Armenian community that exists is Soviet Armenia. We do not see why our struggle should be less just than the struggle of the Vietnamese, the revolutionaries in Latin America, and so forth. We are waging one of the most legitimate struggles in the world: the struggle of a destroyed people."

CSO: 2800/212

ISLAMIC ATTITUDES TOWARD INSURANCE VIEWED

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English No 30, Feb 84 p 62

[Article by M. Aslam: "Is Insurance Truly Halal?"]

[Text]

Ever since Ibn Abideen expressed an opinion on marine insurance during the Ottoman empire, insurance has remained a controversial issue amongst Muslim jurists. The question revolves around the legality of insurance, i.e. is insurance a lawful contract?

Jurists have laid down certain pre-requisites for any transaction:

1. *The subject matter of the transaction must be lawful.*

Therefore, it must be (a) capable of being delivered: the sale of a fish in the sea or a bird in the air was forbidden by the Prophet for this reason; (b) it must exist at the time of the bargain. This is with the exception of Salam - an advance payment for the production of goods - which could not be produced without the prior advancement of capital. This is legalised on the basis of necessity; (c) it must have a *lawful (Islamic) value*. Swine, wine and 'riba' (usury) cannot form the subject matter of a contract because Islam does not recognise their commodity value.

2. *Mutual consent must be "substantiated."*

There is no real consent if the subject matter of a contract is obscure to any of the parties involved in the contract. Hence, the buyer has the right to cancel a bargain if he finds any discrepancy with the commodity. He also has the right to postpone the completion of a bargain until he has seen the commodity. Deceit and fraud (*gahn*) therefore vitiates a contract.

Similarly, if either of the parties concerned doesn't know the outcome of a contract, i.e. if *gharar* is present, the contract will be rendered void. The Prophet forbade the sale of the foetus in

an animal's womb because of *gharar*; there is no certainty as to whether the foetus will actually be delivered as a full-grown baby or not. *Gharar* of a negligible nature, however, is tolerated. Ibn Taimiyyah differentiates between *gharar* which leads to a dispute and that which doesn't.

Likewise, a contract with an element of *gambling* or *wagering* is unlawful, i.e. a bargain based on pure luck, even though both parties might have appeared to be happy with it. Consent is not substantiated. The Prophet forbade the selling of a commodity by means of *munabazah*: when the seller 'throws' a commodity (in order to conceal it) unknown to the buyer who agrees to buy it. Here, the buyer's acceptance is over-ruled by *shariah*.

The nature of an insurance contract.

An insurance contract is: a contract in which one party - the insurer - agrees to indemnify or compensate another party - the insured - in consideration for a sum of money - the premium - on the happening of a specified contingency. The outcome of the specified contingency, which is the insured risk, is of an indefinite nature. Thus, one may conclude that *gharar* is part and parcel of the insurance contract.

The insurer loses (gives compensation) in the event of this indefinite contingency and gains the premium if it doesn't occur. This has a very strong resemblance with *gambling* (*wagering*). But in practice the insured usually recovers more than the loss in valued policies and may recover less than the loss in unvalued policies. Hence, in reality, the insurance contract is not one of *indemnity* and strongly resembles contracts of *riba*. Monetary exchange (*sarf*) requires that both

considerations be equal, otherwise the contract will become void because of *riba*.

Opinions.

There are two major groups: the "pros" and the "cons." Arguments "for" may be summarised thus:

1. Gharar in insurance is of the tolerable type.
2. The insured receives *security* in consideration for the premium. Or, in other words, the insurable interest serves to relieve the contract of any element of gambling (*wagering*). This is like a person who *hires* someone to guard his property; the guard offers *security* in consideration of a sum of money.
3. Theoretically, insurance is a contract of indemnity (*kafalah*).
4. Insurance is a form of mutual solidarity and cooperation. Both parties contribute towards mitigating the consequences of natural calamities.
5. If insurance companies invest the premiums in *riba*-bearing projects, it is their personal undertaking and has nothing to do with the insurance contract itself.
Some scholars also allow insurance on the following bases:
6. If it is nationalised, insurance becomes like any other welfare service offered by the state.
7. Insurance has become a social and economic necessity.
8. Insurance is a sort of *mudarabah* contract. The insured policy-holders give premiums to the company which invests them in profitable projects and institutions. And although *mudarabah* is only valid if the shares of both parties are unlimited, this case should be treated on the basis of the rule of necessity.

Arguments 'against' may be summarised thus:

1. When gharar is an indispensable constituent of the insurance contract, there is no possibility of it being tolerated. And the fact that this kind of gharar wouldn't lead to any dispute is irrelevant because shariah has over-ruled such mutual consent.
2. The insurable interest is a mere legal trick to avoid wagering. This is

acknowledged by many Western jurists. Besides, security cannot become the subject matter of a contract because it is devoid of any *lawful (Islamic) value*. The example of the guard is incomparable because the guard is hired for his *services* which may or may not produce *security*. Security is the consequence of the subject matter, i.e. the services.

3. The fact that, in reality, insurance companies don't abide by the theoretical conditions of indemnity is in itself a violation of the contract. Besides, indemnity (*kafalah*) in Islam is an additional liability to a claim, which means that instead of two parties being involved, there are three. The creditor has the right to approach both the original debtor and the additional person. If the third person relieves the original debtor of his liabilities, this becomes a contract of *hawalah* or transfer of an obligation, i.e. it no longer remains a bailment or a contract of indemnity.
4. Insurance companies are notorious for their "organised swindles." They have only commercial interests in mind.
 - Mutual (cooperative) insurance, however, is based on humanitarian motivations.
5. By knowing where insurance companies invest their premiums, the policy-holders become accomplices of the company in *riba*-bearing transactions and exploitative commercial expediency.
6. Even if insurance companies are nationalised, they still deal in *riba*.

Another view.

Ibn Abideen was probably the first person to express a view on insurance. He differentiates between a contract made in a Muslim country and one made in a non-Muslim country. In the latter case, if a Muslim has a non-Muslim partner who signs an insurance contract, the Muslim may take his share of the compensation, provided there is no deception involved. This, he says, is based on the (Hanafi) maxim that there is no shariah recognition of contracts made in non-Muslim (enemy) countries.

UPCOMING FLN PARTY ELECTIONS DISCUSSED

Neuilly-Sur-Seine KULL AL-'ARAB in Arabic No 65, 23 Nov 83 pp 30-31

[Article by Salamah 'Abd-al-Rahman: "Algerian Elections: a Victory for the Arab Unity Trend"]

[Text] For the first time in the history of independent Algeria, more than 25,000 men and women, representing the popular base in the Fifth Party Congress of the National Liberation Front, are candidates in party elections scheduled to take place December 19.

A high-ranking Algerian official explained to KULL AL-'ARAB that the reason there were so many candidates is "because this is the first time that the Party Congress is to be held in circumstances in which preparations can proceed normally and calmly. Therefore, it is imperative that the base of popular representation be extended and the opportunity given to all nationalists and strugglers to participate, to become candidates, and to enable the populous to select its representatives, from whom State and Party officeholders will be elected."

"As you have seen, doors are open for all male and female citizens who meet the basic conditions of 'competence, integrity and commitment'."

Elections, which were conducted in an orderly manner under the supervision of the Party's National Governorates in the 31 united provinces, were limited to Party members, totaling 830,000 men, most of whom were old freedom fighters or young men who joined the Party during the era of independence, and 750,000 women. Members of the Central Committee kept a tight surveillance over the elections in order to insure proper democratic procedures. Three thousand candidates were elected for final participation in the Congress, 398 of whom were women.

Mohamed Cherif Messaadia of the Permanent Party Secretariate told KULL AL-'ARAB that the large number of electors and participants in the Congress "explains the necessity for inclusion of the popular base in the Congress in order to make possible the election of the most responsible persons to conduct affairs of state and party, mindful of popular aspirations and able to implement programs insuring continuity of the Revolution."

The average Algerian is optimistic about the way in which the elections were conducted and confident that his aspirations will be satisfied by those who were elected. He realizes that the election process is difficult, and that the future of the country depends on its success and the decisions of a newly elected Central Committee of 240 members, a new Political Bureau composed of 11 members, and the Party's General Secretary, who is usually the Party's candidate for the Presidency of the Republic.

The average Algerian's optimism reflects the vast difference between this electoral process and that of the past, that is, specifically, that of the Party's Special Congress in 1979, which was composed of the high ranking officials of the Party and the State, without real representation of the popular base. The reasons for the particular circumstances of the 1979 Congress were the difficult transitional period following the sudden death of President Boumedienne, the weakness of the Party structures, the prevailing conflict within the Revolutionary Council, and the forces in opposition to the Party and State.

In a democratic atmosphere created by the open door policy of President Chadli Bendjedid and under the slogan "competence, integrity and commitment," party elections are taking place in Algeria.

President Chadli wants all those who really believe in serving the people, and who are not misled by "temptation," to become party leaders. It is expected that his wish will come true and that Algeria will benefit from his forthrightness, experience and determination.

The election of Chadli Bendjedid as Party Secretary General and President of the Republic is a turning point in the course of the Algerian Revolution, as he promptly dissolved the Revolutionary Council and formed one which is both supervisory and accountable. He addressed the economic condition of the country, convened the Fourth Party Congress, put forth the broad outlines of the Fifth Development Plan and inaugurated an Arab and an international open door policy which had previously been unknown in Algeria.

President Bendjedid did away with opportunistic elements which had undermined the Revolution and the interest of the people. Among these elements were prominent members of the Revolutionary Council which had been formed on 19 May 1965, following Ben Bella's regime. President Bendjedid dealt with many problems of the transition period and put the revolution on track once again. Bendjedid stressed that what was taking place, including the elimination of various elements, did not constitute a change in Algerian politics, but was in total harmony with the advance of the Revolution.

Before Boumedienne's death, Algeria's politics were dominated by a group of military leaders who formed the Revolutionary Council, the majority of whom had deviated from the mission with which they had been entrusted. Boumedienne assessed the situation as such during his last days when he called Col Bendjedid to assume responsibility during his sudden illness, and to urge the strugglers in the emergency congress to choose him. (Bendjedid).

The consequent selection of Chadli Bendjedid was a victory for those who supported Arabization, a blow to France's party in Algeria, and to those who proclaimed empty slogans and the "fat cats" who found themselves facing the important question of how they came to have what they had. They attempted to create disturbances and difficulties in order to block reforms which Bendjedid had begun, but met with even harsher responses.

In order to clarify the situation, President Bendjedid based his policy on the participation of the people and that the "Revolution from the people to the people" be realized in spite of all opposition. He put up the achievements of the 4 years of his rule for popular debate as preparations were made for the Party Congress. This nine-month period of preparation was the longest period of evaluative appraisal of the country's economic, cultural and political achievements in the nation's history. Seven million men and women participated in more than 6,530 assemblies expressing their views, making suggestions, and articulating their concerns.

President Bendjedid thereby succeeded in keeping the Revolution on its path, negating any suspicion of a cult of personality, and affirming the viability of popular rule and true democracy in spite of possible retaliation of those who would lose power in the process and put behind bars, thereby being brought to account.

Algerians expect fundamental changes in the leadership of the Party and State in the post-congressional period. The election of responsible individuals to Party committees, National Goverates, members of Ministries and Government and the Central Committee. He who is elected as Secretary General of the Party will be a candidate in future presidential elections.

But the prevailing opinion, which is based on the lists of those who won in local assemblies and who will make up the Congress, is that the Congress will renew its confidence in President Chadli Bendjedid and renew his candidacy in the forthcoming presidential elections.

Political observers give considerable importance to this Congress because, in their estimation, it will constitute a new point of departure in the Socialist Revolution. In addition, the Congress is expected to contribute to social stability and consolidate national unity under the leadership of the Party of the National Liberation Front which is the only party, and leader of the people. It will formulate outlines for internal and external policies of the country, which are to be characterized by three basic assumptions.

1. The Party of the National Liberation Front is the leader of the Algerian people, responsible for implementation of the development plans and elimination of backwardness.
2. Implementation of development plans which are harmonious with social changes integrated into the ongoing life of the nation.

3. Responsibility for strengthening Arab relations and supporting Arab positions, enhancing Arab unity, and, at the forefront, contributing to the building of the great Arab Maghrib, sustaining all peoples who struggle for their freedom, self-determination and independence.

Algeria, therefore, waits in great anticipation; Algerians hope for and expect fundamental changes.

President Bendjedid continues efforts to make all information available to the Congress in order that the Revolution be enabled to "take off" in the post-Congress period, devoid of ambiguity and misleading slogans behind which opportunists often hide themselves. It is a revolution within a revolution, which is the essence of the Algerian revolutionary experience.

12477

CSO: 4504/87

PRESIDENT'S TOUR OF AFRICA DESCRIBED, DISCUSSED

Cairo ROSE AL-YUSUF in Arabic No 2903, 30 Jan 84 pp 9, 10

[Article by 'Ayidah al-'Izab Musa: "Why? Mubarak in Africa"]

[Text] This week President Husni Mubarak will be making a tour of Africa in which he will visit a number of countries there -- Kenya, Tanzania, Zaire, Somalia and the Sudan.

Perhaps this is the first visit the Egyptian president will have made to the countries south of the Sahara since he assumed the presidency. He had previously visited Kenya when he headed up Egypt's delegation to the 18th Organization of African Unity conference held in Nairobi in 1982, at which time he held the position of vice president. He also visited Addis Ababa as the head of Egypt's delegation to the exceptional session devoted to discussing the Angola crisis.

This means that because of his former position, African issues and problems are not new to the president, or remote from his concerns. What is new, rather, is that these issues and problems have increased and become complex in a manner where it is now necessary to mobilize the presidents to face their responsibilities toward their continent and specifically toward the Egyptian leadership, which played a prominent role in the sixties in the movement to liberate the continent and managed, with other national leaders, to keep the continent far removed from the heated area of the struggle between the great powers in the most critical period the continent has gone through, following the wave of independence.

Perhaps Egypt's return to the policy of nonalignment means of necessity a return to the African circle and to the great role Egypt played in the past. The nonalignment policy deserves the credit for protecting African countries from polarization as they were taking their first steps toward independence. At that time it was not in the power of the small countries to tear themselves away from the sphere of influence of one great power without falling into another sphere. The byword of nonalignment which Egypt raised was in effect the torch which illuminated the road for other newly-independent African countries, and they emulated it. Thus the former leaders managed throughout the sixties to keep the continent removed from the struggle of

international competition and the problems of the cold war, through collective action to resist blatant acts of interference from outside the continent. It is true that there were intense struggles on the African stage, but they were struggles against colonialism and imperialism on the one hand and the national forces on the other, and that was all separate from international polarization and foreign acts of intervention.

When the nonaligned movement weakened, or more accurately when the countries in it became immersed in their own problems, and they lost their sense of belonging to this great bloc and their ability to commit themselves to the principles of nonalignment, Africa fell into the net of the international struggle, indeed became one of its theaters. The wars that are taking place in the Horn of Africa, Zaire, Chad and South Africa are not remote from the struggle of the great powers, and one can state that Africa has become a theater of the cold and hot war both.

Perhaps the president's visit will in effect be a "link in what has been severed" and will restore Egyptian-African relations to their proper course. The African countries, for their part, have made a corresponding move toward Egypt. They supported Egypt's nomination for membership in the Security Council to assume the chair that Zaire had been occupying, and this decision by the African group expresses the African countries' confidence in the role Egypt must play.

However, assuming this position imposes a double responsibility and burden on Egypt and dictates that it take decisive, clear positions regarding the continent's rising issues and problems. Before it occupied this international podium, Egypt was able to abstain from attending or voting in the General Assembly, and it was in its power to do so without being rebuked; now, however, there no longer is room for political maneuvering. I say this because the African countries have been polarized into two currents, a conservative one and a radical one, and there is a supporting bloc behind each, either America and its allies the Western countries or the Soviet Union and the countries siding with it. To take a position with one of the two currents means to prefer one given orientation over the other, which could cause some embarrassment to Egyptian diplomacy. However, that will not be of importance as long as it is a position of principle which brings benefit to Africa as a continent and to its peoples.

There is another responsibility that has been cast upon Egyptian diplomacy in Africa, and that is the redoubling of its efforts to cope with the resumption of Israeli activity in Africa, after the isolation of Israel which went on for a decade after the African countries severed diplomatic relations with it in the wake of the 1973 war. Israel is now intensively focussing its efforts on restoring these relations. It has in fact reestablished relations with three countries, Zaire, Liberia and the Central African Republic. It had been expected that the Ivory Coast and Gabon would follow them, but the efforts of the Arab countries combined and their adoption of a firm position, threatening to cut off relations and aid to any country restoring its ties to Israel, have caused those countries to hesitate to take this step. The discussions which the president of the Ivory Coast, Israel's old friend Houphouet-Boigny, held with Yitzhak Shamir in Geneva last August

have been frozen; at that time, Houphouet had been negotiating in his capacity as a representative of his country and a number of countries adjacent to him.

The failure and freeze of these talks does not mean that Israel has turned its attention away from Africa or put a stop to its efforts in this regard; rather, this is a "dormant" period of Israeli diplomatic activity, which is contenting itself with increasing its activity in the economic and technical spheres. An Israeli presence is to be found in a number of West African countries, foremost among them Nigeria and the Ivory Coast, where a large number of engineers, technicians and professionals reside, setting up projects in the areas of oil, construction, farming and indeed education as well.

Egypt must assume a role which contradicts Israeli activity in Africa. It is in the Arabs' and Africans' interests jointly to limit this activity. Israeli activity in Africa is only a "Trojan horse" for Western colonial influence, which increases and accelerates the Arab and African countries' rapprochement with one another. The African countries boycott Israel because it is the strongest ally of the racist government of South Africa. The logic behind the African countries' severance of relations with Israel was not just solidarity with Arab rights or the search for Arab dollars, as has been rumored, but basically a protest against the strong relations that exist between Israel and the racist regime in South Africa, and the harmful cooperation between them in the military and nuclear field.

One other thing remains which must be referred to, and that is the Nile Basin organization.

The idea behind the plan is to establish an international technical organization which will supervise economic cooperation among the nine countries of the Nile Basin (Egypt, the Sudan, Ethiopia, Kenya, Uganda, Tanzania, Burundi, Ruanda and Zaire) through joint projects connected to the Nile Valley and its tributaries. The Egyptian Foreign [Ministry] prepared a detailed memorandum on the plan and presented it to the countries concerned. That occurred at the time of the African summit conference in Nairobi, which the president attended; it is said that the meeting which took place between Mubarak and the Kenyan president, arap Moi, addressed itself to this plan. However, since that time, no more has been heard of this organization. Indeed, another plan has newly arisen on the horizon, the organization of the five countries, which held its first meeting in Khartoum at the end of last year. The meeting included Egypt, the Sudan, Zaire, Uganda and Central Africa. The criterion governing the meeting among them, as Dr Butrus Ghali said, was "the affiliation of the countries to the Nile Basin (although Central Africa was not one of them) and the fact that the life of these countries is to a large degree connected to the artery of the eternal river. This grouping could be the nucleus for cooperation among the countries of the Nile Basin if other countries decide to join it."

Although the Khartoum meeting did not discuss the subjects of Nile cooperation, this five-party grouping was interpreted as an alternative to the Nile Basin Organization. It was also interpreted as a political bloc which would

help fragment Africa and destroy the grouping that covered the continent as a whole, embodied in the Organization of African Unity.

Whatever the fact of the matter might be, the "orientation of the compass" toward such regional groupings must be in the proper direction, which is cooperation among the countries of a given region for the sake of joint development and construction.

What must be recorded as a step in this direction is the signing by Egypt last August of the charter of the AFRICA NEWS AGENCY (BANA) which is adopting Dakar as its headquarters (25 African countries have ratified it so far). This agency will have the function of writing African news and disseminating correct information.

A final important matter remains which will perhaps be the focus of President Mubarak's talks with the African leaders whom he will meet, and that is attention to economic and developmental issues not just in the bilateral context but also in the context of the continent. The main preoccupation of African leaders continues to be political issues; when do economic issues take precedence over political issues, or at least receive real attention? Nonetheless it is well known that there is no political liberation without economic liberation, and no economic liberation without the elimination of subordination, and there is no aid [sic] to subordination except regional blocs and sincere efforts toward the attainment of self-sufficiency among them.

Naturally, the president's visit need not discuss all these matters; that is not the task of the presidents alone. Rather, what is requested of the meetings of the presidents is that they constitute a step along the road of mutual understanding to resolve the vital African issues and that they work toward rapprochement so that they can prevent the emergence of the polarization which threatens the breakup of the continent. Let the president's visit be a symbol of this interest and a return to the African circle which has been marred by much inertia in the past 10 years.

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CSO: 4504/164

PURPOSES OF PRESIDENT'S AFRICAN TOUR REVIEWED

Cairo ROSE AL-YUSUF in Arabic No 2903, 30 Jan 84 p 11

[Article by Mahmud Dhihni: "Important Talks by President Mubarak on the African Tour"]

[Text] President Mubarak's African tour is the first foreign trip he will be making in 1984, following the extensive movement of last year, which included a visit to the United States in January and September, then chairmanship of Egypt's delegation to the seventh summit conference of the nonaligned countries in Delhi, the Asian tour, which included five capitals, and attendance at the conference of the International Labor Organization, the conference on trade and development in Belgrade, and the proceedings of the 38th session of the United Nations General Assembly.

The choice of Africa as the goal of President Mubarak's first activity abroad this year may be attributed to the following considerations:

Assertion of the appreciation Egypt feels for the position and role the African countries have played over a number of years. This has been a major, decisive factor in thwarting numerous attempts to suspend and freeze Egypt's membership in a number of international groupings, beginning with the nonaligned grouping at the Havana summit conference, which was in effect a summit of hostility toward Egypt and its policies. The African countries, after that, continued [to function] within the nonaligned conferences until the holding of the recent Delhi conference, in which Egypt regained its full role in the nonaligned movement. The African role also extended to other international arenas and organizations, foremost among them the United Nations.

The expansion of the base and activity of nonalignment policy through the African talks President Mubarak will hold, especially since the African countries are all members of the nonaligned grouping, since the charter of the Organization of African Unity stipulates the adoption of the policy of nonalignment as Africa's foreign policy. This framework holds specific importance at the present time for a number of reasons, among them the resumption by the nonaligned movement of its real course and role in the present tense stage of international relations, and, in another area, prevention of

the monopolization by any country of the leadership of the movement and orientation of the movement toward its own interests.

Offering appreciation for the African countries' position in choosing Egypt for membership in the Security Council for the present period, which started this January.

Coordinating with African countries on African and international problems and issues which Egypt will assume the task of promoting within the Security Council, by virtue of its new role.

The choice of the countries of east and central Africa for President Mubarak's first African activity abroad may be attributed basically to the importance of the area of east Africa and the high degree of stability, firmness and influence it possesses, particularly since it includes capitals which are witnessing the Egyptian president's first visit.

I have learned that the agenda and points of discussion in President Mubarak's talks in the capitals he will visit consist of the following points and issues:

Coordination concerning the three major problems which occupy the attention of the African countries. There is the problem of Chad, especially since Egypt, on the one hand, supports and backs Hissein Habre's legitimate government and supports the efforts the Organization of African Unity is making to restore national reconciliation among the other parties on the other.

The problem of Namibia, since President Mubarak's visit will include one of the African confrontation countries, Tanzania, in which the permanent headquarters of the Committee for the Liberation of Colonies is located.

The problem of the Sahara, since Egypt is playing a conciliating role among the true, direct parties to this problem.

Discussion of reviving regional cooperation among African countries in the context of geographically contiguous organizations and groupings. Egypt supports the tendency among the three countries of east Africa, Uganda, Kenya and Tanzania, to revive the East Africa Organization, which was one of the most successful regional organizations in the area until Idi Amin's coup took place. At the same time, President Mubarak's talks in Tanzania and Zaire will include giving a political impetus to the establishment of the grouping of the the organization of the countries of the Nile Basin, and Cairo in this regard will present the experiment with integration between Egypt and the Sudan as a successful positive example of regional cooperation.

It is observed that the revival of the regional groupings will take into account first that they revolve only in an economic, commercial and technical context, since the African countries will adhere to the Organization of African Unity in the political context. Secondly, the revival of this regional cooperation will be in keeping with the Lagos summit meeting resolution calling for the revival and resurrection of these regional groupings.

Third, this regional cooperation will basically revolve about the format of cooperation among the countries of the south and the south [sic] which the Organization of African Unity and the resolutions of the recent Delhi summit conference of nonaligned countries called for.

The discussion of bilateral relations between Cairo and the capitals of the countries President Mubarak will visit, and the doubling of the volume of trade and economic exchange, so that that will be in keeping with the scope of political relations between Cairo and these countries. In this regard, two points are to be observed: first, the particular importance of personal relations among the presidents and premiers of the African countries, and second, the success of the experiment of the Egyptian Technical Aid Fund which offers services to more than 20 African countries through experts and technology.

President Mubarak's tour will witness an expansion and multiplication in the number of Egyptian experts in all fields and specializations for African countries.

As soon as President Mubarak returns from this tour, Cairo will begin preparing for the 20th summit meeting of the countries of the Organization of African Unity, which is to be held next June in Conakry, the capital of Guinea. The holding of the next African summit in Guinea, one of the major capitals of the African liberation movement and one of the charter nonaligned countries, is to be considered in itself the restoration of the role of the Organization of African Unity, which suffered last year from serious rifts and divisions.

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CS0: 4504/164

NATION HOSTS VARIOUS MEETINGS WITH AFRICAN COMMERCIAL BODIES

Cairo AL-AHRAM AL-IQTISADI in Arabic No 785, 30 Jan 84 pp 26, 27

[Article by Dr Aminah Abu-al-Fadl: "The African Barrier: How Can Our Exports Break through It?"]

[Text] Trade, economics, economic cooperation and investment projects are expressions which have been circulating recently, along with signs that are all pointing toward the continent of Africa, in light of the massive natural wealth and manpower with expertise of an international caliber which it contains. In the last quarter of 1983 Cairo witnessed a number of conferences. Among the most important of these were two:

The General Federation of African Chambers of Commerce, in October 1983, and the conference on trade between Egypt and the countries of the African continent in December 1983 (under the supervision and organization of the al-Nasr Export-Import Company).

After a review and discussion of the many research works, studies and recommendations which were presented to the two conferences, I consider, out of commitment to the fact that we belong to a single continent, because Egypt is always in the forefront in solving the problems of the peoples of the continent and in the forefront of the development and prosperity of the peoples of Africa and the dominance of the wealth of the continent, which has been usurped by foreign middlemen and intermediaries, that it is necessary to recommend to your excellenc[ies] the notion of forming an African economic development agency whose permanent headquarters will be Cairo and which will contain an elite of members of all the countries of the continent, representing numerous sectors (the monetary sector, the sector of industry, the sector of agriculture, the sector of transportation, and so forth).

Before we review the major tasks which must be assigned to this agency, we must return to the obstacles and problems that face us in the continent and obstruct the course of commercial activities and economic development, the conclusions which many specialized committees that arose from the latest conference reached, and the general recommendations which the members of the conference proposed as the basis for a review and definition of the work the African agency of international development will perform.

First: problems and obstacles within the continent.

Second: recommendations which the Center for the Development of Exports is presenting to the conference.

Third: The general recommendations of the conference.

Problems and Obstacles within the Continent

1. The failure on the part of the African party to ratify certain commercial agreements, protocols and economic and technical cooperation agreements.
2. The problem of the foreign currency available to the African countries to finance their imports from abroad.
3. The high rate of customs duties and taxes imposed on goods traded among African countries.
4. The difficulty of marine transportation and reloading from European ports, because of the lack of a direct, organized route with African countries along with the high prices of shipping freight.
5. The absence of adequate commercial information on goods which can be traded among African countries, which leads public and private sector importers and exporters to refrain from making transactions among countries in the continent.
6. The high prices of goods manufactured in the continent of Africa, which results in the granting of opportunities to Asian and European countries to enter and sell their products at lower prices competitive with African goods.
7. The failure to send promotional delegations to countries in the continent of Africa which will have the authority to make direct contracts and effect prices in order to discover markets.
8. The absence of means for publicizing and advertising goods among the countries of the continent.

Overlap Not Integration

There is an unbeneficial overlap among commercial representatives' offices and the offices of the al-Nasr Export-Import Company. These are two channels of activity which compete and conflict, and are not integrated, with one another. Since the anticipated benefits are ultimately Egypt's, I recommend that the offices of the al-Nasr Export-Import Company be merged with the commercial representatives' offices to form strong units for activity and marketing in the African countries, provided that they be supported with economic and technical expertise and market and marketing experts. A large exhibition hall will be attached to each office which will be an attractive outlet for displaying our industrial products, from various textiles, especially cotton and silk, to porcelain and china products, leatherwork, Khan

al-Khalili artifacts, various kinds of furniture, and electric and electronic equipment, and the necessary catalogues and publications will be provided in English and French, as well as Arabic, while specialists make periodic visits to these offices throughout the year for purposes of inspection, review and stimulation.

In addition, it is also necessary that a broad scale field marketing study be carried out in the capitals and important cities of the African countries. A delegation from the Republic of Egypt will carry this out, consisting of representatives of the Ministry of Industry, the Center for the Development of Egyptian Exports, the commercial representative's office and a number of persons in the public and private sectors who are interested in imports and exports. The markets for raw materials, these countries' requirements of Egyptian products and all import and export resources will be studied. In addition, commercial agreements will be concluded and obstacles suppressing channels of trade will be eliminated. It is possible to plan to conclude this marketing field research in 2 years. In the first year, 1984, that will be carried out in the eastern countries of the continent, while in 1985 the field of the study will shift to the countries in the west of the continent. Its steps will be carefully determined in the light of experience and the mistakes that have been made in the eastern countries of the continent. There are also difficulties in the way of maritime transport between us and the African countries. It has been proved that our commercial fleet is transporting only about 0.4 percent of the volume of Egyptian exports and imports, while its transportation capability, on the basis of the international average, must not be less than 25 percent of the volume of foreign trade. The government recently drew attention to this, after transportation charges had gone above 800 million pounds a year. The government must stimulate the activity of building new ships, in order to support the commercial fleet and reduce a major obstacle to trade with the African countries. Perhaps the opening of Quwaysina airport as a commercial airport is a step in facilitating the movement of fresh fruit and vegetables and flowers to these countries.

There remains the position of Egyptian customs and also the oversight authorities. This is a position which needs to be studied, in terms of its bills and customs tariffs. It is necessary to reduce these tariffs to the minimum in the case of raw and intermediate materials, so that an important barrier to foreign trade with African countries may be eliminated.

The Conference and Its Recommendations

The conference, in the light of the monetary conditions most countries in the continent are facing, calls on the various trading parties to embrace the system of equal transactions, in view of the possibilities this system offers for providing the two parties' needs and requirements for various goods and products without being restricted to the availability of free exchange in each.

Since most countries of Africa follow the system of quotas in their imports and exports, the conference advises the bodies concerned that the necessary import and export shares of the countries of the continent with which they

are partners in trade be allocated, in order to support and facilitate this trade, while periodically reviewing commercial agreements in a manner that is in keeping with the economic developments that have taken place in the past period.

The conference advises that full attention be given to the African market and the provision of all its industrial commodity and product requirements, that attention be given to sending marketing delegations and missions on a periodic basis, to participating in various fairs, and to establishing specific fairs, and that the products and goods exported be developed in order to keep abreast of international output, in terms of packaging, quality and price.

The conference stresses the importance of benefitting from the resources available to the al-Nasr Company and the permanent presence of its branches in most countries of the African continent through the various contacts the productive and economic sectors make in various countries of the continent, helping coordinate efforts and strengthen the foundations of economic relations with these countries.

In view of the decisive role that foreign marine and air transport play, being considered the nerve of trade, the conference recommends that the efforts of people concerned with the African market, as regards exports and imports, be combined to establish regular shipping routes among the various ports of the continent, that the possibility of establishing a chamber of shipping for all our imports and exports to and from Africa be investigated in order to provide ships that can be loaded at the proper time on a tentative basis until the regular shipping routes are established, and that a reduction in classes of freight charges must be accepted as far as commodities which can be shipped by air go.

The conference recommends that the monetary authorities and the African commercial and central banks take charge of giving the greatest amount of flexibility to commercial dealings among countries of the continent so that it will be possible to give trade a strong push in banking areas.

The conference recommends that in the event disputes occur between African parties they be resolved by mutual agreement between the two parties, and the conference hopes that an African arbitration board will soon be formed which will be subsidiary to an economic body of the Organization of African Unity.

The conference recommends that the productive sectors in Egypt intensify their efforts to give the African market preference in offering competitive prices as well as making allocations on a permanent basis for Egyptian products that are desired in African markets, such as quotas of rice, unfinished cloth and cotton yarn.

The conference advises the entities concerned to follow the method of direct purchase in regard to products and raw materials which the Egyptian market requires and the African countries produce, in order to provide our requirements of African raw materials and crops, without resorting to

intermediaries outside the continent. Examples of this are tobacco, wood, coffee, cocoa, corn and sesame. This method has in particular been successfully applied in the recent period in the area of the importation of metals from Zaire and Zambia.

The conference recommends that the possibility of establishing a fund for balancing out prices of Egyptian exports to Africa be studied.

Our Exports and the Problem of Prices

In the hope of arriving at economic integration among the countries of the African continent, the conference recommends that an African common market be established and that a start be made in adopting the necessary measures which will make it possible to carry out this recommendation, concurrent with a start in the grant of customs discounts and tax exemptions, the facilitated exchange of goods and the elimination of restrictions preventing that.

Also, solidarity among African and Arab countries should be encouraged in economic areas by granting preferences to investment capital and granting it adequate guarantees and possible preferences to attract it to invest in African countries, while considering making use of the expertise the al-Nasr Company is gaining in the area of investment in African countries, so that the areas which the new investors propose will be coordinated with the needs and demands of development plans in the various countries of the continent.

The conference stressed the need to give attention to the formation of joint African companies in all economic areas, in which the governments concerned will provide all possible facilities for making their activity a success, provided that these companies participate in particular in the productive manufacturing that most African countries require, in particular in the areas of agriculture, agricultural processing and livestock resources with the fraternal Sudan.

In addition, there will be permanent coordination in economic fields among the countries of the continent in order to exchange skills and expertise in various areas of economic activity and benefit from the training opportunities available in many areas, especially the areas the al-Nasr Export-Import Company and the Institute of African Research and Study provide in order to train African economists in various economic fields in the most up-to-date methods of the age and the requirements of international markets.

The Tasks Which Must Be Assigned to the African Economic Development Agency

1. Granting a greater degree of banking flexibility among the countries of the continent, which represents a massive economic unit.
2. Starting to establish a bank for economic development whose headquarters will be the Arab Republic of Egypt and whose branches will be spread about among the countries of the continent belonging to the agency.
3. Starting to establish an African air and marine merchant fleet.

4. Reducing customs duties among African countries and reducing taxes on goods sold between member countries to the lowest possible level.

5. Starting to establish the fund to finance joint projects to make economic feasibility [studies] for investment projects among the countries of the region.

6. Starting to establish the African common market and reaching agreement with the European market to make mutual transactions so that it will be possible to sell the goods the African consumer does not accept.

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CSO: 4504/164

TUNISIA

EARLY DETAILS ON REVISED 1984 BUDGET

Tunis DIALOGUE in French N° 487 6 Feb 84 pp 14,15

[Article by "R.E.A."]

[Text] Just as those who have nothing else to do are starting to tot up the endless columns they assume will be a "countdown" for the 3 months the head of State gave the government to put together a new budget bill and introduce into Tunisia's 1984 budget the improvements made necessary by the president's history-making decision to repeal the price-hikes on cereal grains and grain products, including bread, the government's work on this problem has made so much progress that it could tell the Chamber of Deputies it would be in the Chamber's in-baskets well ahead of the planned 3-month deadline. The new budget is taking shape, and we have managed to gather some interesting clues that might give citizens an idea as to the approach chosen to help hold down the costs of staple foods so as to keep them within reach of the poorest of the poor.

Top priority in the government's assignment to remake the budget went to picking the option least burdensome to the poor. Not that this was anything like a new priority for a government which, in less than 4 years, has doubled the minimum wage (SMIG), developed one of the most extensive social security systems anywhere, upgraded the minor trades, encouraged agriculture, and developed an innovative volunteer program to create new jobs; it was adopted in order to provide more selective relief, by shifting to stronger shoulders more of the burden of the price increases that must be made to maintain solvency for the General Compensation Fund. So, for example, while gasoline prices will go up, neither oil nor alcohol for domestic use (cooking or heating), nor bottled butane gas will be affected by the price rise.

Products that will be hit by a tax hike are mainly alcoholic beverages, tobacco, and luxury products. There will also be a new levy on private travel abroad, to the tune of about 30 dinar per trip. Insofar as we can tell, it will not affect business trips, or travel by Tunisian workers abroad or Tunisian residents abroad. This range of proposals will make it possible to avoid increasing prices on certain basic necessities, such as oil and sugar.

Prices for cereal grain and grain products, including bread, will go up. The rise will be a symbolic one, for two reasons: (its effect on the price of bread will be 10 millimes shortly and another 10 millimes at midyear), and its impact. It would in fact be both incomprehensible and incompatible with the national interest and with the national economy for these products to be made "taboo." Hence the government will opt for a gradualist approach tending to get the State out from under the killing load of a heavy and "bloodsucking" compensation system, while taking care to refrain from any increases that might be politically exploited to stir up public discontent, and at the same time taking steps to protect the greatest possible share of the national resources for use in economic development action aimed at creating jobs and wealth and hence giving priority attention to the have-not sector of the population.

It is obvious that, no matter which assumption the government decides to adopt, some projects written into the figures for this year will be rescheduled, which for that matter serves to explain fairly well that the decision to withdraw the grain price increase so abruptly last October stemmed from a perceived overriding need for getting economic development back on track and meeting the ambitious goals of the 6th Plan, and that it was not a "spur-of-the-moment" decision, as some have ventured to call it.

The fact of the matter is that you cannot eat your cake and have it too. The most elegant demonstrations to the contrary, on paper, cannot alter the stubborn and often frustrating reality in a Third-World country squeezed between social pressures on one side and the complex economic pressures from the whole context of the Eighties on the other. And so, and as we saw it last week, a reform in the [farm] compensation system was rejected by the very people it was designed to help (including the indigent and the unemployed) by freeing them from their state of poverty, making maximum use of available resources.

The efficient price-stabilization system -- which was developed and implemented with the success we are all familiar with -- will be kept for this year, thus allowing continuing protection of consumer purchasing power and permanent security for the Tunisian consumer, so that (let us hope) nothing more will happen to distract our attention from a more determined volunteer effort to further the development of the country, and hence of its people.

The government was careful to single out the best of the new budget changes in the national effort, and that is commendable. It is to be hoped that this year will, as a result, provide the occasion for yet another national effort: one of dispassionate reflection over every price increase and every slip into demagoguery; one of sincere and patriotic reflection as to the most efficient ways of breaking out of underdevelopment in all its forms; and on one of the patterns of underdevelopment most widespread in the Third world, to wit: that of foisting onto the welfare State or the magician-State the responsibility for developing the country and its

people, almost in spite of themselves, and in any case without asking for any sacrifice, slight though it might be, on their part.

Any State, any government that would adopt an attitude or a policy of this stamp, whether out of fear or out of demagoguery, seeking nothing more, in fact, than to "root (country and people) ever more deeply into underdevelopment," to keep them apart from any awareness or knowledge of the mechanisms that govern their day-to-day lives would require the steady development in our country, via the media -- and particularly television -- of a system of news reporting, popularization, and explanation designed to evoke positive thinking.

One of the recognized techniques for rooting people in underdevelopment in the Third World is the compensation ploy. It lets the operator "disconnect" individual citizens from their legitimate "needs" or "demands" for jobs or for increased revenues, and thereby enables a government to hold prices to artificially low levels and to make only token wage increases, thereby unfairly holding down labor costs.

Hence if we take the example of the policy adopted in 1980 with regard to incomes, marked by substantial and repeated wage increases, its corollary ought unquestionably to be a policy of emancipation and of gradual removal of price controls; prices, without leaping out of sight, would be accompanied at every stage by meaningful redistribution of wealth through transfers to the least privileged. This is the best way to balanced development, to a society more aware of its actual situation, and more of an active participant in shaping its own future.

Thinking about all this is to look again at the path of reform for which it opted in 1980, and participating in it is to call on each citizen to make the sacrifices that are needed if we are not to mortgage our future and if we are not to find ourselves in the position of preventing an increasingly youthful country to develop, or, in short, to compromise all the opportunities of future generations, some of whom are already waiting impatiently on the doorstep of employment, or surrendering to the malaise of a future they perceive as uncertain as they slump at their desks in the high schools and universities...

Demonstrating the direct connection among all factors is the duty of a government which, since 1980, has followed a Golden Rule, by way of speeches on policy by the head of State and the prime minister, and of an opposition which respects the people and which seeks, in the long run, to offer a realistic alternative.

When the day comes that, one way or another, a worker wins an excessive wage increase demand, which, if it is satisfied, will permanently shut the door to all new recruitment, and on which he

adopts a social and civic attitude toward wage demands that better reflect his real needs without thereby threatening the future of his job and those of others in his company or in his country, there will be fewer trumped-up disputes and better social and economic communication.

Similarly, on the day when businessmen adopt an attitude tending more toward reinvestment, expansion, and aggressive marketing -- perhaps to the detriment of a standing they have grown accustomed to, but to the benefit of broader economic solidarity, the spirit of enterprise will be raised thereby in the public esteem, and will find itself less frequently the target of hostile criticism.

All the foregoing calls for the special kind of discipline that is the mark of civic spirit properly understood and of shared effort, quite apart from all the deep-rooted selfishness and the bad habits which, with the passage of time, turn into so many roadblocks on the way to progress.

In a word, or in a thousand words, the newly recast 1984 budget ought not to be allowed to become still another occasion for a large number of citizens to evade, "for convenience' sake" looking squarely at problems which will not go away no matter how often they are "deferred."

The new budget will probably be submitted to the Chamber of Deputies this week; once it has been subjected to debate and voted upon, it will enable each member in all responsibility and in all good conscience to get a better perception of the future bounty of the Reform as it has been envisaged of recent years, as it is now, in every sense of the word: necessary.

6182

CS0:4519/101

CIRCUMSTANCES SURROUNDING BREAD RIOTS RECOUNTED

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English No 30, Feb 84 p 14

[Text]

More than 200 dead, 500 injured and several hundred arrested – such was President Bourguiba's New Year's gift to the Tunisian people who protested against the Prime Minister Mzali's sudden announcement of the doubling of the price of bread and basic foodstuffs. People took to the streets in what was described as the most violent and bloody demonstration since those of January 26, 1978.

Rioting began in the impoverished areas of southern Tunisia on December 29. At Douz, El Hamma, El Mareh, El Kef, Thala and Kebili people burned everything that represented government property: shops, vehicles, public buildings. The police were not prepared for violence of such a magnitude. News of the riots spread gradually north and two days later the uprising reached Kasserine, an agglomeration near the Algerian border in central Tunisia. There the police were assisted by the army and repression claimed its first victims. On New Year's Day people in Gafsa, already known for uprising in January 1980, took to the streets and the violence there was directed against luxury shops, banks and government buildings. On January 2, Gabes, an industrial seaside town in the south, rose too.

While the government issued warnings and angry statements mixed with words of appeasement, agitation spread to the country's second city, Sfax, to Monastir (Bourguiba's home town), to Kairawan, the holy city, and to Tunis, the capital, where students and schoolboys joined in the demonstrations. At this stage it became clear that the slogans raised by the demonstrators were not of an economic nature. Rioters referred to their repressors as "dogs of Wassila" (the latter being President Bourguiba's very influential wife) and chanted angry words against Prime Minister Mohammed

Mzali. Banners said "There is no God but Allah and Bourguiba is His enemy." In Sfax, eyewitnesses said that the Tunisian flag was burnt and Bourguiba's statue toppled. The president's car was stoned as the motorcade left Bourguiba's palace in Monastir to take him to the airport to fly to Tunis.

On January 3, the government decided to play it tough: a state of emergency was declared and a curfew enforced between 6 pm and 5 am. Premier Mzali went on television to tell the people that he stood by the enormous price increases.

In the meantime the only Tunisian trade union, UGTT, continued to back the Bourguiba regime. Speaking to a French reporter, UGTT Secretary-General Bacouche said the state of emergency was necessary. Once a courageous union, the UGTT lost a lot of its prestige when it allied itself in November 1981 with Bourguiba's ruling Socialist Destourian Party (PSD) – in spite of the opposition of several of its leaders – which enabled the PSD to maintain its grip on parliament and on the country as a whole.

Fearing a workers' backlash, Bacouche announced a general strike for January 5 – but then cancelled the decision. It was not until the authorities themselves announced, on January 6, the postponement of the price increases, that Bacouche stated that negotiations were under way with the government to obtain wage increases. These salary rises, some observers believe, are only meant to prepare the way for further price increases.

Interior Minister Driss Guiga was dismissed, being held responsible for the unprecedented violence and his post was given to Mzali who spoke of a deliberate move to destabilise the country and mentioned "hostile elements."

A source from the Tunisian semi-underground Islamic Trend Movement (ITM) in Paris told *Arabia* that their movement, which identifies with the impoverished people, had in fact planned a "peaceful demonstration" when the price increases were to be announced.

However, the source insisted that the Islamic Trend's aim was a peaceful one and that the movement was not responsible for the violence that ensued, even if demonstrators continued to chant Islamic slogans. The demonstrations against the price rises were shifted from their "bread" goal by some elements with vested interests, the ITM member maintained. He said: "We condemned violence in the past and condemn it now."

Asked whether it was the legal opposition parties which had used the demonstrators, the source replied negatively. He said that the violence was orchestrated from within the ruling party, scene of a struggle over the succession to the 81-year-old president. Driss Guiga, who was tipped as a possible successor to the ailing Tunisian leader, and who was in a "race" with Bourguiba's other favourite man, Prime Minister Mzali, was named as the culprit. He is said to have encouraged rampage and havoc by deliberately neglecting the security of private property, stores and government buildings. The Islamic Trend Movement holds him responsible for the 200 dead and the 500 injured, victims, the Trend says, of a power struggle.

The idea of Guiga's culpability is given credibility by the dismissed minister himself who, according to the ITM source, left for France lest he be tried for all the destruction that had taken place.

In the light of this it is significant that Premier Mzali's accusations were deliberately vague. "Attempts at destabilisation" and "hostile elements" were soon interpreted as referring to "Islamic extremists" by a world press accustomed to seeing Muslim activists behind all violence. Mzali has not so far incriminated the Islamic Trend Movement, contrary to some press reports, which in itself is quite telling.

On the other hand, *Arabia's* ITM source said that after the riots, the prime minister contacted the movement's secretary-general, Abdelfettah Moro, for talks, but that the ITM was not ready for parley. Moro is still under house arrest since he was released from prison a few

months ago, and its president, Rashed el Ghannouchi, is still serving an 11-year hard labour sentence in spite of his deteriorating health.

Despite the harsh repression of the Muslim activists in July 1981, the Tunisian authorities now acknowledge that the Islamic Trend Movement does enjoy support from large sections of the people and that it is a pressure group to reckon with in the long run.

Asked what could be the outcome of negotiations with the Mzali government, the ITM official replied that they would certainly lead the authorities to allow the re-emergence of the Islamic Trend Movement as a semi-clandestine party as it had been before July 1981, along with the now legalised secular socialist and liberal parties.

Most of the demonstrators came from deprived areas and were unemployed. They did not expect the tame trade union UGTT to voice their grievances. They succeeded in postponing the price increases for three months. This is no negligible achievement: for the first time the president himself intervened to put off these rises, which has created a dangerous precedent for the regime. What will happen when "realistic" price rises are announced in March remains to be seen.

Immediately after the riots a four-man commando squad blew up, on Tunisian territory, a section of the Algerian pipeline carrying oil to Italy. Although the commandos were not arrested, the Tunisian defence ministry said it had evidence that they were Libyans.

Algeria sided with Tunisia during the riots. As soon as the trouble started the Algerian prime minister, Mohammed Abdelghani, phoned his Tunisian counterpart repeatedly to express support for the regime and to offer help. The Algerian premier told Mzali that his country's troops were "patrolling the border."

The Algerian move was to quieten Tunisian fears that Algeria was behind the rioters, as was the case during the Gafsa troubles of January 1980. Algeria wanted also to demonstrate willingness to cooperate in countering a growing Islamic movement that threatens the regimes of the Maghreb. As to the Libyan action, it is difficult to interpret. Tunisian Prime Minister Mzali has lodged a complaint to Libya and is waiting for the answer.

DEFENSE MINISTRY OFFICIAL DISCUSSES MEDALS, RANKS

Baghdad THE BAGHDAD OBSERVER in English 7 Jan 84 p 4

[Article by Akram Dhanoon]

[Text]

it is common nowadays to see or hear about civilians and military men who have been awarded by the state for their distinguished service. These awards come in two types; medals and orders.

In an interview the head of Personnel Department at the Ministry of Defence explained the various military ranks and type of medals and orders and how they are awarded.

Field Marshal is the highest rank in the army, and is usually given to the President of the Republic. Other ranks in sequence are General, Lieutenant-General, Major General, Brigadier, Colonel, Lieutenant-Colonel, Major, Captain, Lieutenant, Second Lieutenant, Sergeant Major (eighth class), Sergeant, Corporal, Lance Corporal and private.

Medals and orders are awarded to military personnel and civilians in recognition

of their distinguished services. They are awarded according to a Presidential Decree. A special title is given to each order and medal, referring to the occasion or event and when it has taken place.

The orders and medals are of the following types:

- Al-Rafidain (Mesopotamia) Order
- Al-Thawra (Revolution) Order
- Saddam's Qadissiya Order
- Al-Shaja'a (bravery) Medal
- Al-Jareeh (wounded) Medal

Law No. 95 promulgated in 1982 stipulates that the awarding of an order or a medal does not deprive the recipient of the rights and privileges of medals already awarded to him. These medals come under the following classes: medals of Civil service, medal of May 1941 operations, medals of Palestine War; Al-Ta'awin (cooperation) medal; medal of 14th Ramadan Revolution,

medal of 14th July 1958 Revolution and medal of 17th July 1968 Revolution.

However, the last three medals are awarded to the persons who actually participated in the three mentioned

revolutions.

The new law also stipulates that new medals may be introduced. They shall be governed by special regula-

tions in which description of the medal, why it is given and when to be worn, are stated. Besides, rights and privileges that holders of

such medal enjoy shall be specified, provided that these privileges should not exceed the privileges enjoyed by holders of al-Rafidain Order, Class Three.

The rights and privileges enjoyed by the recipient are, according to the new law, transferable to his wife and children after his death.

Conditions, according to which orders and medals are awarded, are set forth in the new law. For example, Al-Rafidain Order, which is of five classes is awarded to persons who render extraordinary services to the republic or for distinguished acts of bravery during military

operations or war. It can also be awarded to foreigners, on the same grounds.

This medal is of two types- the military and the civilian. The only distinction between them is that the first type is in the shape of two crossed swords inside a wreath. This order comes in five classes.

Al-Thawra (revolution) Order is of two classes and is awarded to persons who actually participated in the 17-30th July of 1968 Revolution. The holders of this order enjoy the same privileges as holders of al-Rafidain Order of similar class. Holders of first class order are invited to national and regional celebrations.

In the same manner, Saddam's Qadissiya Order is awarded to military men and civilians for their outstanding performances or services in favour of national or regional Causes. Holders of the Order enjoy the same privileges awarded by al-Rafidain Order and according to the classification.

Al-Shaja'a (bravery) Medal is awarded to military men and civilians for their heroic acts in battles or military operations or for their distinguished performances at work. Holders of the medal enjoy the privileges stipulated in law No 95.

The Head of the Personnel Department said: "Our courageous armed forces, indeed, deserve to be honoured since they vigorously spare no effort in defending the country against any aggression and in safeguarding all national achievements".

CSO: 4400/167

PLANNING OFFICIAL REVIEWS NATIONAL PROGRESS

Baghdad THE BAGHDAD OBSERVER in English 12 Dec 83 p 4

[Article by Dr Abdul Ghafour Al-Atraqchi]

[Excerpts]

The Arab Ba'th Socialist Party has affirmed that socialist planning is the practical means of employing scientifically and effectively all material and human resources to achieve economic and social development. It

helps to create suitable conditions for man's liberation from all forms of exploitation, domination and stagnation and gives him the opportunity to live in freedom within the framework of the Party's nationalist (Arab) objectives.

Planning experience has led to increased understanding and various developments both in the concept of planning, in its means and methods and in the formulas and instruments of execution and follow-up. The most important features are:

1. The aims and national targets of the development plans are derived from the continuous interaction between the Party theory of social and economic change.

2. The Revolution has used the techniques of regional and long-term planning in order to carry out radical economic, social and physical changes.

3. Planning has been applied in the whole of Iraq to all its material, human and financial resources in the socialist, private and mixed sectors.

4. The National Development Plans that have been laid down have approached development in accordance with requirements of linkage and coordination between the various sectors and within the framework of a comprehensive view of movement of society.

5. From the National Development plans, comprehensive annual plans have been derived from all sectors of the national economy.

6. The planning of educational and vocational training has held an important place in the development of the planning process.

7. A comprehensive studies and research plan has been adopted within the National Plan.

8. For the first time, planning has been used in the field of science and technology to increase the productivity of labour and capital.

9. The statistical system has been developed to ensure that the planners are provided with the indicators and data needed for the planning of the various sectors of the national economy.

The use of computers has also been expanded in Iraq as a means of technological progress in the administration of national economic institutions. Arabic letters have been introduced into the computer system.

10. The system of follow-up has been developed as an effective means for monitoring the implementation of development plan objectives, discovering obstacles and dealing with them promptly.

11. The Revolution has made use of democratic means to achieve the effective participation of all citizens in the drafting, execution and follow-up of the development plans to ensure avoidance of obstacles, deviations and areas of waste in the use of national resources and their radical treatment for the full achievement of the development targets.

The share of the socialist sector in total domestic production rose from 24.5 percent in 1968 to over 80 percent in 1981. The proportion of total investments in this sector also rose from 35 percent to over 75 percent during the same period.

Total investment in the first development plan (1970-1975) and the second plan (1976-80) amounted to 18201.6 million Iraqi dinars,

or an average annual investment of more than ID. 1655 million. In comparison, the total investment in all plans and annual programmes before the Revolution — that is about 20 years — amounted to ID. 1896 million, or an annual average of about ID 95 million.

A great leap forward was made in the investments allocated to the 1981 annual plan. These amounted to ID. 6743 million, which is 255 percent more than total investments allocated to all development plans before the Revolution. This confirmed the long-term ambition of the Leadership to achieve profound economic and social changes.

In the agricultural sector attention was focussed on the following considerations:

1. To act in support of policy which requires the creation of new economic resources to raise national income and reduce dependence on oil as the main source providing the needs for development.

2. To protect the national independence in terms of food supplies.

The Agricultural development plan covers numerous projects of which these are the significant:

1. The number of agricultural cooperatives increased from 473 in 1968 to over 2000 in 1981. The number of members rose from 63,000 in 1968 to over 360,000 in 1981.

2. Many irrigation, drainage and land reclamation projects such as; Mosul Dam, Haditha Dam, land reclamation, chemical fertilizers, agricultural mechanizations, loans, agricultural pest control, livestock resources projects, etc.

The growth average in the industrial sector in 1968-1981 reached over 20 percent a year. The role of the socialist sector in national industry increased significantly, scoring an annual growth average of over 23 percent during the same period.

The total allotments for this sector in 1981 amounted to ID. 1246 million, in comparison the total allocation in 1976 was ID. 697 million.

A number of the strategic industrial projects were completed, forming an outstanding weight in the achievement of objectives laid in the National Development Plans.

Transport and Communications

This sector, regarded as one of the basic infrastructure sectors, which plays a vital role in development by unifying different parts of the country, bringing the towns closer to the countryside and linking the centres of production and marketing while also linking Iraq with the rest of the world.

Substantial achievements were made in this sector in the past years. The socialist sector has come by playing a prominent part in both inside the country and abroad. Necessary requirements were provided to raise the standard of performance and remove the bottlenecks which used to obstruct the desired progress. The principal achievements in this sector are as follows:

— The paved road network has been increased from 4,500 kilometres in 1968 to over 13,500 kilometres in 1981.

— The socialist sector had no role in road transport before the Revolution, but it is now playing a commanding role in this activity, especially in the transport of goods. It was able to transport about 4 million tons of goods in 1981. It has also transported over 55 million road passengers between towns in 1981 compared to 3 million passengers in 1972.

— The rail network has been improved and extended. Modern technological methods have been introduced such as automatic signals system and rail maintenance equipment.

The capacity for passengers and goods has been increased through the provision of various types of modern carriages, coaches and freight wagons. The number of rail passengers increased from 1.6 million in 1968 to over 3.6 million in 1981, that is an increase of 125 percent.

The years of Revolution witnessed great development in both quality and quantity in the field of telecommunications. The capacity of the telephone system has been increased from 1.35 telephone per 100 citizens in 1970 to about 3.5 telephones per 100 citizens in 1981.

Allotments for the sector of education went up to 87 million dinars in 1970-75 plan, and up to 726 million Dinars in the 1976-80 plan,

effecting a rise of 830 percent. The annual allotment for 1981 was 272 million Dinars which has increased by six times more than 1976.

The number of students in all stages of education went up to over 4 million in 1980-81 compared to 1.3 million in 1967-68.

Special interest has been devoted to the comprehensive national campaign for the education of all illiterates by direct supervision and opening of numerous centres in various parts of the country, and by providing all requirements. Such centers

reached 26729 in number in 1980, compared to 255 centres in 1968. It is noteworthy that the efforts of the Ba'ath Party and Revolution in the field of eradicating illiteracy have scored a very high percentage in bringing down the number of illiterates in the 15-45 years age groups. After the graduation of great numbers of learners from illiteracy eradication centres, popular (adult) schools were set up for them, reaching 1885 schools in 1979. A great number of men and women joined these schools to obtain their primary school certificates.

Hospital beds increased about 54 percent in 1981 compared to 1968. Other health institutions increasing by 160 percent for the same period.

The country has also provided necessary cadres of doctors and dentists to work with the Ministry of Health. Their number rose over 220 percent compared to the year before the Revolution. Therefore, the ratio of doctors to the population has now become one doctor to about 1700 citizens compared to 1 per 4200 in 1968.

Allotments for the housing sector in the National development Plan, 1970-74, reached 4.1 percent of the total allotments for building and services sector, compared to 0.6 percent only in the Five Year Plan, 1965-69, comparing housing allotments in the National Development Plan, 1976-80, and in the last two years we notice the increase in investment in this sector, which reflects the interest to solve the housing problem. The annual allotment for 1981 has increased by seven times more than 1976.

In the private sector, the number of houses built rose greatly in the period of 1968-1981, that is by an increase rate of over 320 percent.

Water Supply

The Government aims to provide drinking water to all citizens by 1985. The total capacity of water supply projects in Iraq has more than doubled. By the end of 1981 about 2 million cubic meters of drinking water was supplied every day, compared to 0.75 million cubic meters in 1968. The number of people benefiting from pure drinking water reached to about 9 million.

The proportion of urban population receiving pure water reached to about 95 percent. Concentrated efforts are being made to raise the number of people using pure water in villages and the countryside through the creation of water reservoirs. Over 850 such reservoirs were set up and operated, and some neighbouring villages were provided from nearby city project. Central water projects were set up for villages and country side.

Sewerage

The aim is to provide sewerage services to all citizens. Before 1968 there was no project for such vital services. But now there is a great interest in this matter and work is underway in numerous city projects, where eight are under construction in various provinces.

Electricity Supply

The aim is to supply all citizens with electricity. Owing to the neglect of the Iraqi countryside before the Revolution, the Ba'th Party Leadership has taken exceptional interest in providing rural areas with general services and electric power in particular. The capacity of generating electricity was 560 megawatts in 1968, but it reached over 3800 megawatts in 1981, that is, over six times more than pre-revolution days. The consumption of electric power has increased to over four times its size during the same period. The average consumption of electric power by the Iraqi citizen has become about 750 kilowatt hours compared to 150 kilowatt hours in 1968.

In the field of periodical, weekly and daily publications, Iraq has over 160 such publications. The daily publications print 230-250 thousand copies, the weekly, 250-280 thousand copies, the monthly, 35-50 thousand copies.

The Ministry of Culture and Information published over 17 various series on heritage, poetry, cultural, drama, popular, scientific, information, documentary and economic subjects. In 1981, the Iraqi scientific and cultural departments have published over 2000 books.

GOVERNMENT POLICY ENCOURAGES PRIVATE INDUSTRY

Baghdad THE BAGHDAD OBSERVER in English 5 Jan 84 p 4

[Text] Industrialization took off to a fresh and momentous start in the early 1970s. The new drive was chiefly fuelled by massive government investment programmes. Enhanced government earnings from oil exports in the aftermath of the 1973 oil price revolution and the nationalization of the Iraqi Petroleum Company (IPC), provided the cash to finance this investment. In consequence, industrial growth has evolved around an ever expanding public sector generated by increasing investment in burgeoning industrial public enterprises. Both development considerations and socialist ideological aims and ideals of the Arab Ba'th Socialist Party (ABSP) weighed in favour of industrial development led by the public sector.

The rise of public sector in the 1970s as the unchallenged leader of industry has brought about important changes in the structure of manufacturing output. Its contribution to total manufacturing production has risen gradually, the production is moving towards large-scale operations and heavy industry in making its inevitable impact.

However, what is also significant is the fact that rapid growth of state participation in industry has not strangled the private industrial sector which is mostly engaged in small-scale, consumer good manufacturing branches of industry. Indeed this aspect of industrial policy, striking a working balance between state and private industrial activity may be taken as a measure of the realism and hence success of development planning in Iraq during the 1970s.

The promotion of private capital undoubtedly draws its importance from both political and economic considerations. Fostering private savings and investment, thus augmenting national capital formation, through the promotion of private industry, could hardly be more serving to overall development objectives. Political and ideological objectives of public ownership of means of production need not stand in the way of promoting private capital in industry, at least not in Iraq's context. And indeed this has been the official stand of both the party and government here.

Fast Footwork

Manufacturing output rolled out by relatively large-scale public enterprises galloped at an average rate of 25 percent in the five years up to 1980. Even in quantity terms the rate of growth is still in double figures.

Manufacture production of largely small scale private enterprises producing mostly consumer goods almost matched the performance of the public sector. According to figures of the Central Statistical Organisation it grew by an annual rate exceeding 15 percent in the five years since 1976. Again this performance embraces impressive growth in real output that is in quantity terms.

Nevertheless, by virtue of the faster growth of public sector's production levels the distribution of overall manufacturing output moved in favour of the public sector. Its share rose from 50 percent in 1976 to approximately 43 percent in 1980.

But the public sector, however, dominates relatively large scale production--production turned out by enterprises with more than 10 workers. Its share is about 70 percent of total output. This is a reflection of a kind of specialization whereby the public sector deals with large high capital industries being the domain of public sector activity, and small scale manufacturing, the domain of private industry.

It is to be noted, however, that even in private industry there seems to be a tendency to move, though slowly, towards larger firms. This much is indicated by the fact that in 1976 almost 62 percent of private sector's production was produced by small firms as compared with 56 percent in 1980.

Food Processing Tops the List

Almost a fifth of all the private sector's production in 1982 was made up of food products, beverages and tobacco. Over 3500 small firms and around 250 large firms operate in this rapidly growing sector. Dairy products, canned foods, processed food, bread and confectionary are in the range of items produced. Rising demand for food, induced by growth in income has given this traditionally active industry a tremendous boost.

As one of the oldest in the country, the textiles and leather industry, stands second to food manufacturing, as far as the private sector goes. It accounted for about 18 percent in 1982 of total manufacturing output of the private sector.

The participation of the private sector in the all important construction materials industry has grown in recent years. More and more private firms are entering into concrete products, tiles and asbestos. Their output now constitutes almost 10 percent of total private sector manufacturing production.

The rest is distributed among wide ranging variety of products such as wood and furniture, chemical products, paper products and printing, manufacture of tools, and electrical equipment and repair of maintenance work among others.

Boom in Investment

In the ten years up to 1968, 11).42 million worth of project licences was granted to private industrialists, the mixed corporate sector excluded. In all some

1500 manufacturing ventures should have been established. They were situated mostly in and around Baghdad. And the bulk of them in food manufacturing, textiles and the construction material industry.

On the other hand, investment licences granted between 1968 and 1981 was several folds higher adding to ID.316 million distributed among 8,000 industrial projects.

The rise points to government policy since 1968 to faster encourage private sector participation in industrial activity.

Nearly 30 percent of private investment, given the green light by the State Organisation for Industrial Development, was in the manufacture of construction materials, 24 percent was in the food manufacturing industry and 15 percent and the rest in other branches of industry.

Actual investment levels may have been somewhat less than the above figure, depending on actual execution of endorsed projects.

The total allocations for public investment in industry as stated by the 1970-1975 and 1976-1980 development plans add to about 11).5.300 million. These investment allotments for the private sector throughout the 1970s make up about 6 percent of public investment.

Swift Switch in Policy

The beginning of 1982 seems to have seen a turning in policy as regards the role of the private sector in development.

This is indicated by the several fold rise in the allotments for private capital in the 1981-1985 investment programme. The private industrial sector was actually allotted investments to the amount equal to 17 percent of the public investment programme.

Indeed, in the first three quarters of 1982 licenced private industrial projects amounted to ID.150.5 million or nearly as much as half of all industrial licences in the 10 years before 1982.

This added-emphasis on the role of the private sector was indeed underlined by the highest policy making apparatus in Ba'th Party, the General Congress held on June 1982.

The congress which was the ninth to be held by the Party, re-emphasized public ownership of means of production. Yet at the same time it was unequivocal in accepting private ownership of capital. Also it underlined the role of private sector in development so long as it operates in harmony with social and political objectives. Also the central report cautioned against letting the public sector sway to enter small scale or petty economic activities. This tendency if uncurbed, the report stressed, would ultimately drain the public sector's ability and resources without any appreciable economic or social benefit.

Hurdles To Be Mounted

Historically the state has been, at least since 1953, the biggest "industrialist" in Iraq. State enterprises since the 1980s included textile, sugar and cement works. In the 1960s and 1970s this situation was consolidated further.

In contrast, the private industry has been weak. The private industrialist was known at least in 1950s and 1960s to prefer soft-peddalling work in quick and high return investments, after speculating in commerce and property. His taste seems to disfavour investment in industry though such investment carried handsome and relatively low risk profit.

Such an attitude, retarding as they are to industrial development, must have carried this effect into the 1970s hindering more private industrial activity.

It is hoped however, that with the considerable build up of confidence, accumulation of experience, and the continuation of the right economic and political climate of stability, industrialists will eventually come over their "commercial" instincts and attitudes and show for this industrial talent and entrepreneurial ability.

Interlinked with the problem of attitudes is an inclination to go for labour intensive, low capital and outmoded technology. To counter this the Industrial Cooperative Bank, a state-run bank serving the mixed and private sector industry, has considerably boosted its financial support, loans and credits to investors. For this purposes its financial base was bolstered up to ID.50 million.

Measures such as exempting imported machines and equipment from excise duties will also help. Likewise it is hoped to be the effect of recent legislation raising the ceiling on the size of the capital private firms.

The preferential tax treatment to firms based in less developed provinces, again introduced not long ago, is designed to overcome another problem, the reluctance of private industry to settle in these areas. With the same probable effect, social overhead capital is being extensively built at areas designated as targets of regional industrial development.

CSO: 4400/167

ACHIEVEMENTS, PROBLEMS IN MANUFACTURING REVIEWED

Baghdad THE BAGHDAD OBSERVER in English 3 Jan 84 p 4

[Article by Hussein Cobba]

[Text] Expanding and diversifying the industrial base has been one of the fundamental objectives of economic and social development in Iraq. It became a cornerstone of economic policy since the early 1970s. The Arab Ba'th Socialist Party, an advocate of central planning along socialist lines decisively tipped the weight of state policy in favour of rapid industrial growth, though in the framework of an overall plan that provides for some balance between the various economic sectors. The successive state financed massive investment plans since 1968 were to stimulate besides industry, each of agriculture, capital accumulation in infrastructure, a commensurate growth in the distribution sector, banking, housing and also public services.

The overriding case for initiating rapid industrial development has been spelled out strongly by both Party and state policy documents.

A basic and compelling rationale stems from rejection of outmoded political doctrines that developing countries were best suited for primary production, that they should go agriculture and import their requirements of manufactures from the industrial world.

Moreover, a very persuasive argument often cited in support of a vigorous industrialization policy underlines the need to restructure the economy to reduce the excessive reliance on petroleum exports. An industrial base capable of generating exports and supplying import substitutes of manufactures is thought here to be imperative if dependence on oil exports were to be curbed.

This economic argument also buttresses the important political objective of strengthening Iraq's independence and reducing economic reliance on the outside world.

As such the 1976-1981 development plan, the second one formulated along the Ba'th vision of development, contained a multitude of principles and objectives relating to industry. These included the achievement of the following acceleration in capital accumulation (investment) in industry to meet part of domestic demand for intermediate and capital goods, fertilizers and other

manufacturers; diversification of manufactures production, the promotion of exports and introducing new manufacturing industries; maintaining a balanced growth between industry and agriculture with view to strengthen forward and backward links between these two important sectors; and enhancing the public sector's control and direction of industry.

How far actual development effort has gone in the way of achieving these mammoth, ambitious yet important tasks?

What is certain is that Iraq has witnessed since mid-1970s an unprecedented economic boom touching in various degrees all economic sectors and activities. This boom, however, has left deep positive marks on industry as the country entered boldly into new industrial fields such as iron and steel, and engineering and electrical industries.

The impressive performance of industry, especially the manufacturing sector is reflected in statistics released by several official sources including the Central Statistical Organisation.

Output Leaps Forward

Statistics show that manufacturing output rose remarkably fast in the five years since the launch of the 1976-five year plan. The average rate of growth was an astounding 20 percent a year lifting up output from around 858 million dinars in 1976 to 1.763 million dinars in 1980.

This jump is reflected in the quantity index of production. The official index rose from 309.1 in 1978 to 499.3 in 1980.

What is even more interesting is that this momentum was kept up through the 1980s escaping the war impact. The quantity index jumped to 539.3 in 1982 showing an eight percent rise. This confirms press reports that a substantial rise 19.3 percent, in production took place during 1982, which was more than adequate to compensate for the slight dip in output in 1981.

Further scrutiny of available statistics also confirm the all but excellent performance of the manufacturing industries since the mid 1970s. Value added (value of output less value of material inputs, standing for industry's net contribution to gross national product) grew in the five years up to 1980 by around a 20 percent annual rate of growth which is again high by all standards.

More on the Payroll

The growth in production levels was achieved by massive investments in factories and new production lines. But also more people were recruited by the industry to operate the machines and manage the new factories.

On average the workforce employed in the manufacturing industries grew at an annual average rate equal to three percent.

This is a reasonable rate striking a good balance with the growth of the overall national workforce, thus providing ample job opportunities while at the same time creating no excessive demand for labour.

Fast Capital Accumulation

Annual investment, the overwhelming part of which expended by the government, skyrocketed during the 1970s reflecting the vigour and pace at which development policies were being executed.

The figures confirm this: annual fixed capital formation in the manufacturing sector rose from a modest 36.4 million dinars in 1968 to ID.250 million in 1974, to around 470 million in 1980. Investment in 1982 is estimated to have been in the region of ID. 680 million.

Manufacturing industries' share in total national investment in 1979 was not far off 20 percent though its share is thought to have dipped in subsequent years.

The Public Sector Leads All

State and Party avowed policy to create a leading public sector in all economic activities in particularly noticeable in manufacturing industries.

By 1980 almost 75 percent of all manufacturing production of large industrial firms (with more than 10 employees) was turned out by public sector firms. The corresponding figure for all manufacturing output by small and large firms, was just over 50 percent.

There were some 43 large-scale state-owned enterprises in full or with more the 51 percent equity holding were set up. Most of the investment was being placed in public sector and mixed sector firms.

Three out of every four workers at large industrial firms were in fact employed by public or mixed sector firms.

Large Firms Consolidate Their Lead:

The trend of moving gradually towards relatively large-scale production was clear during the latter half of the 1970s.

One indication of this is the rise in the share of the output of large firms in total manufacturing production. This clawed up from 67 percent in 1976 to over 75 percent in 1980.

In 1980 large firms employed around 70 percent of the workforce in the manufacturing sector. The comparable figure in 1976 was around 60 percent.

Food Industry Tops the List

With a 31 percent share in the total value of manufacturing production, the foodstuffs, beverages and tobacco industries in 1981, was the largest among the main manufacturing branches of industry. The food industry with some 50 large public sector firms and many more private sector firms is thought to be the biggest employer in the manufacturing sector. Large food manufacturing companies were the employer of about one out of every five workers at large industrial establishments.

Next in line, in 1981, was the chemical and oil producing industry producing some 22 percent of total manufacturing output. Other relatively large and well established industries include the manufacture of metal products, electrical and mechanical equipments, textiles and leather industries, among others.

Difficulties

It would have been highly surprising that such strides could have been achieved without creating many snags and difficulties.

Indeed at least two main problems have arisen or been spotted in the process and they have been clearly underlined by the Central Report of the Ninth Congress of the Arab Ba'th Socialist Party held in June 1982.

Productivity

The first of these problems is related to productivity levels. As the central report of the Party notes, though productivity levels have been much higher than in the early 1970s, yet they were still short of aspirations.

Several factors have been responsible for this, the main reason being low technical standards and expertise of the industrial workforce, especially at the middle-cadre level. This problem however should be partly solved in the near future as the efforts now being placed on technical education and training starts bearing fruits.

Insufficient Infrastructure

In retrospect, many of the bottlenecks and difficulties had resulted simply because the growth of industrial activities outpaced growth in overhead capital including such basic services as roads, railways, ports, storage capacity, housing and banking services. But again the huge spending on infrastructure since the mid 1970s should considerably ease this problem.

Moreover, the central report of the Party was critical of the tendency of the public sector to venture into small and scattered industrial projects instead of concentrating wholly on large-scale and capital intensive ones. It correctly noted that industrial policy should provide adequate incentives to the private industrial sector to take up investment in small-scale projects to lure private funds away from commercial non-productive ventures into industrial ones.

REGIONAL COMMAND MEMBER OPENS BAGHDAD WATER NETWORK

Baghdad THE BAGHDAD OBSERVER in English 14 Dec 83 p 2

[Text]

The State Establishment for Building has implemented 59 projects for the health, educational, cultural and youth sectors during 1983 at a total cost of 456,731,000 Iraqi dinars.

During 1984, the Establishment will further carry out 57 projects, the cost of which is expected to amount 379,910,000 Iraqi Dinars.

The implementation process of the Iraqi development plan, despite the war time condition and the continuous aggressions of the malevolent Iranian regime on Iraq, reaffirms the extraordinary potential and firm determination of the Iraqi people.

Besides, the development plans for the agricultural and industrial sectors are being carried out.

In an outlook on the health projects, which were already carried out, it has become evident that this sector alone enjoys the implementation of 12 projects at the cost of 139,620,000 Iraqi Dinars.

Among these projects are six hospitals, each capable of accomodating 400 patients. These hospitals were carried out in the provinces of Nineveh, Dohouk, Ta'meem, Qadissiya, Muthanna, and Wasit.

Moreover, four hospitals for sick children and child-

birth, each capable of accomodating 260 patients, were carried out in the provinces of Dhiqar, Habibiya, Najaf and Qadissiya.

Finally, a female-nurses training school and an attached hostel were constructed in the province of Nineveh.

A restaurant, attached to the Mosul Republican Hospital and capable of serving 100 trainees at a time was also constructed.

In the field of education, the establishment spent an amount of 54, 314,000 Iraqi Dinars for the implementation of 24 projects. Six of the projects, relative to the educational methodology, were

carried out in various Iraqi provinces, four hostels for the industrial schools students were constructed in Shargat, Dhiqar and Basra, several hostels for the medical college students were constructed and two schools on commerce were constructed in Qadissiya and Arbil, a training institute for primary schools was carried out in the province of Saladdin, the institute of technological studies and a new department at the educational college were implemented in the province of Basra, and finally a training institute of the primary schools teachers was carried out in the province of Wasit.

In the field of state buildings, the establishment concerned successfully implemented 13 projects, the cost of which amounted to 241,877,000 Iraqi Dinars. These projects, characterized by their highly architectural designs and outstanding grandeur, comprise the non-alignment building complex, Al-Rashid Hotel, the headquarters of the Economic Commission of West Asia, the Square for the major festivity proceedings, 74 guest houses, and vocational training centres in the provinces of Arbil, Kerbala and Qadissiya, as well as a number of other buildings.

The construction process of the five buildings allocated to the cultural field, amounted to the total cost of 3,400,000 Iraqi Dinars. Among these buildings are

several premises for the branches of the National Union of Iraqi Students (NUIS) in the provinces of Anbar, Qadissiya and Tikrit, and institute for labour education in Baghdad.

The building allocated to the youth field amounted to five, at the total cost of 17,520,000. These youth projects comprised the implementation of stadiums in the provinces of Meisan and Rifa'ee, and an indoor swimming pool and a hall in Baghdad.

During 1984, the Establishment will exert efforts to carry out 57 other projects, at the total cost of 379,910,000 Iraqi Dinars. These projects comprise 12 projects to be implemented for the health sector at the total cost of 136,616,000 ID. These will include the implementation of the second phase of the medical city, a public hospital capable of accomodating 400 patients in the province of Meisan, five new hospitals for sick children and childbirth, capable of accomodating 260 at a time in the provinces of Babylon, Muthanna, Nineveh, Arbil and Baghdad, capable of accomodating 400 patients at a time, the central sick children hospital in Baghdad, also capable of accomodating 400, several laboratories on general health, and three female-nurses training school in the provinces of Sulaimaniya, Babylon and Baghdad.

In the field of education,

twenty projects will be implemented within this year, the total cost of which is estimated at 68,034,000. These projects include four technical institutes, four agricultural schools, two primary school teachers training institutes, four hostels, five industrial schools, an institute for medical vocation guidance, as well as the seventh phase of the student hostels in the district of Jadiriya in Baghdad.

Regarding the public buildings sector, 219 projects will be carried out during this year, the total cost of which is estimated at 167,870,000 ID. These projects comprise the implementation of two border check-points, two premises for the governors of Saladdin and Najaf provinces, the building for the state administration of police force, the expansion of Hamurrabi Hall, four buildings for different Ministries, 21 guest houses, the premises for Al-Thawra daily, and the premises for the administration of income tax.

For the cultural field, the establishment projects, the cost of which is estimated at 1,480,000 ID.

The establishment will also carry out two new projects for the youth sector, the cost of which is 5,910,000 ID.

Duly, it is self-evident that development has become the characteristic feature of Iraq, and thus, Iraq has become the outranking model for many, for its capacity in achieving the major development transformation.

IRBIL GOVERNOR REVIEWS GOVERNORATE PUBLIC SERVICE PROJECTS

Baghdad THE BAGHDAD OBSERVER in English 24 Dec 83 p 2

[Text]

Over the past three years, the local government offices in Arbil province have carried out 344 public service projects at a total cost of 18,877,000 million dinars, the Arbil governor, Mr Yahya Mohammed Rashid told Iraqi News Agency correspondent yesterday.

The governor added that these projects had been constructed all over the province. These included; 1/41/41 prjoects for the local administration at a cost of 2,846,000 dinars; 41 municipality projects at a cost of 4,188,000 dinars, 65 projects at a cost of 1,920,000 and 141 water projects at a cost of 9,627,000 dinars.

The projects also included the construction of 185 residential houses for government employees, 40 primary schools, 3 student hostels, 4 secondary schools, 23 intermediate schools, 14 creches, 6 laboratories, two medical centres arched bridges and modern stopping centres.

The rapid development achieved in the province had made it necessary to expand and update the old water network. These were made available in the villages of Srishma, Kwesinjaq, Hingirok, Shorsh, Srmedar and Khalifan.

The governor stressed the point that the war imposed on Iraq by Iran did not affect the process of development and the volume of services rendered to the citizens. He praised the staff of the government offices who had made every possible effort in carrying out the projects.

Meanwhile, several projects have been implemented in the province of Nineveh. Among these projects are a hospital capable of accommodating 400 patients at a time, residential houses for the resident physicians, an institute for the blind education, two industrial and mechanics high schools, a premises for the Mosul branch of the National Union of Iraqi Stu-

dents (NUIS), a restaurant for the female-nurses training institute capable of serving 100 at a time, the paramedical institute, and the training centre of the constructors in the northern sector of Iraq.

Construction is also underway in the province, of a new and up to date ward for buras at the Jamhuri hospitals, the adult social reformation centre together with 120 flats for its personnel, the agricultural high schools in Shargat and Sanjar districts, the school of commerce, an outdoor swimming pool, a spare parts storage, and a premises for the state establishment for construction in the north of Iraq.

In the province of Ta'mim, several projects

were also carried out, comprising a hospital capable of accomodating 400 patients together with attached accommodation places for the resident physicians, a school of commerce, a training centre for workers, a youth centre, an attached building to the agricultural school in Haweeja district, two hostels the first for the students at the industrial high school in Kirkuk and the second for the students at the technical and the vocational rehabilitation institutes, a spare parts storage, and a centre for illustrative education.

Efforts are also underway to implement the major stadium in Kirkuk, the premises for the General Administration for Education, a school of commerce, an outdoor swimming pool and several hostels.

CSO: 4400/164

STATE COMPANY REVEALS 1984 CONSTRUCTION PLANS

Baghdad THE BAGHDAD OBSERVER in English 2 Jan 84 p 2

[Text]

The member of the Regional Command of the Arab Ba'ith Socialist Party, in charge of the Municipality of Baghdad, Mr Samir Mohammed Abdul Wahab yesterday inaugurated the new drinking and irrigation water supply network project in Baghdad at a cost of ID.375 million.

In the inauguration ceremony, held on the project site, the Director General of the Baghdad Water Supply Establishment, Dr Adnan Aziz Jabr delivered a speech in which he described the new project as being one of the giant ones not only in the country but also in the world, as a million metre of dectile pipes in 300-1600 mm, in diameter were laid down in addition to five irrigation water pumping stations. One third of the works were completed in a record of two and a half years as the work on the projects started in June 1981 and was completed at the end of this year.

Dr Jabro added that before the completion of this project, Baghdad was suffering from shortage of drinking water due in part to the failure of the old network to supply sufficient water. The failure has been overcome through the special attention paid by the Party and Revolution leadership led by President Saddam Hussein. This helped in the implementation and improvement of different services in the country such as this project of which Baghdad and Iraq were ground of. The project would remove the great deficiency in water supply in al-Jadiriya, al-Amiriya, Kadhimiya, Shula, Hurriya, Karadha, Fathelia, Dhubbah and Zayonna regions.

The Director General of the Company executing the project also delivered a speech in which he said that the studies related to the execution and constructing of drinking and irrigation

water supply network involved 3,500 main designs and 315,000 tons of steel pipes and the lay out of pipes the total length of which was 850 km. within Baghdad Province borders. 130,000 c.m. of concrete for civilian installations. In addition to constructing five pumping stations of a capacity of 40 c.m. per second.

After the inauguration ceremony Mr Samir Mohammed Abdul Wahab cut off the ribbon announcing the opening of the project. Then he pushed the operation buttons and toured in the technical sections of the project.

Accompanied by the Deputy Mayor of Baghdad and senior officials, the member of the Regional Command of the ABSP listened to report on the function of the projects' full-electronic control system.

The total pumping capacity of the project is approximately 330 million gallon per day and it secures the supply of water to the municipality borders, the green areas and the Baghdad proposed green belt. The work of the project headquarters included 2,500,000 c.m. of water and 2.2500,000 c.m. of filling up works.

CSO: 4400/164

IRRIGATION PROJECTS FIRST PHASE COMPLETED IN KIRKUK

Baghdad THE BAGHDAD OBSERVER in English 12 Nov 83 p 4

[Article by Ala Khalil Nasser]

[Text]

On November 4, 1983, Mr Taha Yassin Ramadhan, First Deputy Prime Minister, opened the first phase of Saddam Irrigation Project passing through the northern Iraqi city of Kirkuk, Ta'mim Province. The project is included in the five-year development plan, 1980-1985. This irrigation project, the biggest of its kind in Iraq, will irrigate, when finally implemented, one million donums of land.

Planning sources at the project said the first phase had been implemented six months ahead of schedule.

In his speech in the opening ceremony, Mr Ramadhan said that the Iraqi people, for the first time in their history had realized outstanding development in spite of the war they were engaged in for more than three years. He pointed out that 1981, the second year of the war had recorded the highest allocations within the development plan.

Irrigation Minister Mr Abdul Wahab Mahmoud Abdulla, announced during the opening ceremony that the government had allocated ID.465 million (about 1.435 million dollars) for major irrigation projects in 1983 a big jump from ID.120 million (about 400 million dollars) in 1978.

The first phase of the project which covers 25,000 donums of land includes a 67 kilometre (42 miles) canal, four large regulators, 65 small regulators, four siphons, 950,000 metres long of asbestos pipes.

The 67 km. main canal which carries water from the Lower Zab River has a capacity to deliver 278 cubic metres of water per second. The canal is coated with concrete and other materials such as plastic sheets and tar.

Civil engineer, Miss Sabah Mohammed, who supervised the execution of the canal, said that the work has been

done systematically and successfully. In the first year her job was to supervise the process of mixing concrete, later on she supervised the coating of the canal with concrete and tar. Six other women engineers worked in the first phase of the project as well as many men and women engineers, workers and technicians.

The irrigation project consists of a wholly underground network of pipes. A water pumping station in every 160 donums of land is provided. These stations help to bring water from the pipes up above the ground.

To bury these pipes and build the stations, 16.5 cubic metres of soil were removed said Mr Abdul Majeed Rashid, the director of the project.

He further added that there were a number of factors which made the project

successful such as the availability of water resources in addition to the fertile land and the suitable local weather conditions which fit various kinds of agricultural crops.

The project included construction of seven modern villages comprising 577 houses, roads, four farms to carry out agricultural researches and experiments, a sugar cane farm and a fully automatically operated water control system.

The project also houses a maintenance and repair workshop run by a mechanical engineer, Mr Farah Karim. He said that many kinds of heavy machines, vehicles and other equipment were used on the project. Operators of these equipment have had, according to Mr David Elias, various training and technical courses held for them.

CSO: 4400/162

NORTHERN CEMENT COMPANY POSTS PRODUCTION GAINS

Baghdad THE BAGHDAD OBSERVER in English 12 Nov 83 p 4

[Text]

Like most of the developing countries whose aim is to catch up with progress and development Iraq relies on scientific planning in its endeavours to achieve economic, social, and cultural advancement. To the fulfillment of this objective the government is making every efforts to obtain new technology and know-how to improve Iraq's industrial plants.

In this respect, great attention is being paid to improve cement industry in order to increase production in this important field of construction industry.

The State Establishment for Cement in the North, plays an important role in this regard. Mr Jawad Nazar Abdul Fattah Acting General-Director of the Establishment, said that Sarchinar was chosen as a site for a cement factory after thorough study to the area and its natural resources. The

factory was built in 1945 with a capital of ID2,871,000. Initial production started in 1957 and immediately after that the factory started marketing its production. In 1959 the factory was linked to the Ministry of Industry and since then it has seen a great deal of development in all its divisions.

After the Revolution of July 17 which has brought about wide-scale development and construction activities there has been great demand on cement. Efforts were made to improve existing cement factories and provide them with new technology in order to increase their efficiency.

The cement factory in Sarchinar was expanded to include a new plant with a production capacity of 200,000 tons annually. A plant was set up in Shirkosh for the processing of raw materials used in cement

production. New production lines were added to the factory bringing production to more than quarter a million tonnes a year.

Plans are under consideration to bring cement production in this establishment upto 240,000 tonnes annually by the year 1985. This figure could be realized when the new factories in Ta'meem and Taslouja start operation soon. A plant specializing in producing packing materials will be established as well.

It is worth mentioning that Iraqi cement is regarded of a high quality giving it a good reputation in world markets. This is partly due to the highly experienced Iraqi cadres who have been in this business for more than half a century.

During the last three years since the start of the war imposed by Iranian regime against Iraq, the State Establishment for Cement in the north managed to increase production despite the fact that many of its technicians and workers have joined the army or the Popular Army in fighting against the Iranian enemy. This could be attributed to the high morale and interest of all workers in the factory to increase production in order to keep the wheels of the national industry rolling.

The administration has provided workers with all necessary facilities including housing units, a clinic, free transport as well as a canteen which provides food with reasonable prices for the workers.

CSO: 4400/162

WORK CONTINUES ON TRANSPORTATION NETWORK

Baghdad THE BAGHDAD OBSERVER in English 24 Nov 83 p 4

[Article by Hassan A. Hafidh]

[Text] For a country which stands at the crossroads of some of the world's most historic trading routes, it is somewhat ironic that Iraq should have had to wait until the 1970s for a major start to be made on improving the country's national and international communication and transport systems.

The need was immense. Under an ambitious programme beginning within the National Development Plan (1970-1975), Iraq started work on a new transport network. While total investment allocations stood at ID 787 million in the Plan, sums allocated for transport projects accounted for ID 149 million, 31 percent of which went to the construction of roads and bridges, 25 percent to telecommunications and 16 percent to railways. The share of this sector constituted not less than 14 percent of total investment allocations.

The relative plan of transport investment in the current five-year development plan has risen to over 24 percent. In the first year of the 1981-1985 plan, some ID 1,285 million was spent on transport projects.

To mention a few of the motorways recently completed, the 105-kms Haditha-Qaim highway in Ahbar province to connect the industrial project in Qaim (Akashat) with the capital. Baghdad, and other Iraqi cities: the 45 kms Kut-Jassan-Badra highway: the 55 kms Jalawla-Kifri road in Diyala province: the 50 kms Samarra-Fallujah highway, and other roads.

The State Establishment of Highways is currently constructing 14 motorways. They include the international 255 kms motor-way to link Iraq with the holy shrines in Saudi Arabia: 100 kms Kut-Ali Gharbi road: 80 kms Kerbala-Najaf motorway: the 222 kms industrial highway between Qaim (Akashat industrial project) and Rutba, and others.

The railways provide the most dramatic proof of Iraq's modernization drive. The five year plan (1981-1985) includes the construction of new rail networks throughout the country. It also includes the expansion of Baghdad-Basra and Baghdad-Mosul railways. About 82 compartments, 236 coaches and 1300 trucks are to be purchased. Minister of communications and transport, Mr Abdul Jabbar Abdul Rahim said.

Work is underway to construct Baghdad-Qaim-Akashat modern railway. The project consists of 72 compartments, 83 coaches and 1160 cargo wagons.

Moreover, one of the big projects that is being implemented is the Kirkuk-Baiji-Haditha railway on which work started in August 1982 and which is expected to be completed in August 1985.

The first post office in Iraq was established in 1868 during the Ottoman rule. After the British occupation a few post offices were set up in various parts of the country.

That situation was maintained up till 1968 when there were only 40,000 telephones in Baghdad, most of them in government offices. The little telephone directory has grown now into a six volume 22.5x32.5 cm thick, 3055 pages. The government's share is only 228 pages of the directory. The other five volumes are of private subscribers.

However, the telephone department has requests for 370,000 telephones. The Ministry of Transport and Communication has taken new measures to meet this large demand. Mr Abdul Rahim, the Minister, said that work is underway to replace ten of the 18 automatic exchanges of Baghdad with electronic exchanges which would increase their capacity to 200,000 lines. The other eight exchanges will also be replaced with modern ones in due time.

In the provinces, telephone services are expanding. Work is underway to construct the 30,000 line electronic exchange in Dawasa district of Mosul city, the 10,000 line exchange in Dohouk city, the west Tigris microwave network linking the northern provinces and so forth.

Civil aviation already achieved major development strides. The State Organization for Civil Aviation's ambitious plan includes the expansion of Iraqi Airways facilities and the construction of new airports. Iraqi Airways now has a fleet of 15 modern airliners. These are jumbo jets and boeing 707, 727 and 737.

Last year the first and second phase of Saddam International Airport (cost ID 245 million) was officially inaugurated. The airport is designed to handle four million passengers in 1990 and 9.5 million passengers in the year 2000, the Minister of Transport and Communication said.

The project includes a VIP lounge, three passenger terminals, two buildings for aircraft ground services, a new runway, an air cargo terminal, a communication building including a centre tower and a car park.

Moreover, in 1976, the State Establishment for Navigation in Basra was set up in a bid to ensure better services for Iraqi imports and exports. The establishment is currently operating a naval fleet of 16 ships with a payload capacity ranging between 3600-13600 tons each.

These ships are operated on four international navigation lanes in North Europe, the Mediterranean Sea, the Far East and the Indian Sub-continent.

The establishment played an active role in the Arab and international conferences on sea navigation. It is a member of the West Indian Coast Federation, East Indian Coast Federation, the Mediterranean Sea Federation and the Arab Federation for Sea Shippers.

The five year plan 1980-1985 includes the expansion of river transport between Baghdad and Basra from 250,000 tons of goods in 1980 to one million tons in 1985.

Land transportation has also witnessed development. In 1970, the first company for transporting goods was set up. It expanded in 1976 and was renamed as the State Organisation for Land Transportation running five general establishments. The 1976-1980 development plan gave priority to land transportation. About 2400 vehicles were purchased and cadres to operate them were prepared. In 1980 the organisation had 1823 vehicles and a fleet of 261 trucks. This number has increased during the last three years.

Transport capacity of the organisation is to increase from five million tons in 1980 to 16 million tons in 1985, according to the five year plan (1981-1985).

CSO: 4400/162

PUBLIC TELEPHONE COMPANY BEGINS OPERATION

Jerusalem THE JERUSALEM POST in English 1 Feb 84 p 1

[Article by Judy Siegel]

[Text] Bezek, the telecommunications company which was set up to break the logjam in service to the public, finally became operational last night, in a ceremony at the Treasury presided over by Finance Minister Yigal Cohen-Orgad and Communications Minister Mordechai Zipori.

The company, which is to be staffed by some 7,000 employees who formerly worked for the Communications Ministry, will be run by director-general Zvi Amid, a former army officer. Although Bezek was signed into existence last September in a ceremony in Jaffa, the telecommunications employees of the ministry had feared until the last minute that plans would be scrapped, because of opposition to some of their demands by the finance minister.

The removal of the employees from the civil service allows Bezek to offer salaries and productivity bonuses. It is hoped these will increase the pace of telephone installation and initiate high-powered marketing of various communications services. Profits will be available for investment in the company, rather than turned over immediately to the government.

Bezek will be in charge of the telephone and telex networks, the telegram and cable services, computer data over telephone lines and the transmission and reception of material by satellite. Postal services remain the responsibility of the Communications Ministry.

The idea for setting up an autonomous communications service was on the drawing board for many years. Specific recommendations to that effect were made by a committee as early as June 1973. They were reaffirmed by several other committees in following years.

Then, last year, the Bezek Law was passed by the Knesset, leading to the final negotiations stage involving the works' committees, the Communications Ministry and the Treasury.

Just last Sunday, a representative of the telecommunications workers threatened to stop all TV and radio broadcasts and other services if the operation of Bezek were not begun this week. Communications Ministry spokesman dismissed these fears, maintaining that all would go as planned. A few weeks ago, engineers blacked out TV screens for half an hour over the Bezek issue.

Bezek has purchased several floors in the Mitzpe building at the eastern end of Jaffa Road in Jerusalem to serve as its headquarters.

The postal workers — among the lowest-paid civil servants, have been pressing for the establishment of a public postal company that would allow them to be paid more, as well as to reorganize the mail services. That would leave the Communications Ministry with only about 200 administrative employees under its aegis.

Over 200,000 requests for telephones are still pending throughout the country.

Avi Temkin adds:

Bezek will be a model for other services provided by the government, for it will show that workers will get higher wages for increased productivity. Cohen-Orgad said at the signing ceremony yesterday.

Cohen-Orgad added that nobody should have illusions that the new company will be dependent on the government. Its existence and financing will come from the services it provides, he said.

LUXURY AIR-TAXI SERVICE TO EUROPE PLANNED

Jerusalem THE JERUSALEM POST in English 30 Jan 84 p 6

[Article by Joshua Brilliant]

[Text]

TEL AVIV. — A group of financiers headed by the Sherover family has applied for a permit to operate a luxury air-taxi service between Israel and Europe. The new line would like to start flying in May. Yuval Yerushalmi, the general manager of Orange Tours (the company involved in the venture) told *The Jerusalem Post*.

Gita Sherover submitted the plans to Transport Minister Haim Corfu and an official statement issued yesterday quoted the minister as supporting the scheme. However, the would-be airline, tentatively named Tapuz Air, has to present additional data to win the hard-to-get operator's licence.

Yerushalmi told *The Post* that the company plans to obtain Westwind twin engine executive jets produced by the Israel Aircraft Industries. The planes have been produced for some years. The plan is to start operating two planes — the minimum required for the government permit. Former Air Force and El Al pilots are to fly the Westwinds.

The operators intend to offer travelling business executives on-board secretarial services in addition to telephones and telex. The planes would also be available for

parties of eight to ten people flying to a particular European destination — to attend a wedding, for instance.

The company intends to set up its base at the Atarot airport, north of Jerusalem. That would free it from government restrictions on charter flights and enable it to fly to El Al destinations in Europe. Charter flights starting from Ben-Gurion airport may not land within 150km. of any European airport used by a scheduled airline calling at B-G Airport.

Foreign governments have refused to permit direct flights to the Jerusalem airport because it is in "occupied territory." The procedure followed by other airlines — Arkia for example — is for planes to land at Ben-Gurion before taking off for Europe and upon arriving in Israel. Then the Ben-Gurion-Atarot leg becomes a domestic flight. Yerushalmi said that if necessary his company would follow that procedure too.

The expected investment will be shared by Israelis and foreigners. The Sherover family — which has donated the Jerusalem Theatre — has its financial assets mainly in Venezuela, but Yerushalmi would not identify the other backers or the total investment involved.

GOLAN DRUZE DESIROUS OF ISRAELI CITIZENSHIP

Jerusalem THE JERUSALEM POST in English 31 Jan 84 p 2

[Article by Yoel Dar]

[Text]

MAJDAL SHAMS. — Some 500 Golan Druze have applied to the Interior Ministry for Israeli citizenship, the northern district representative said yesterday.

Israel Koenig said that among those seeking Israeli citizenship are members of large clans, teachers, workers, farmers and even several clergymen who asked to remain anonymous.

Koenig stressed that the ministry thoroughly examines each request before granting citizenship. So far only 100 Druze out of 13,000 in the area hold Israeli citizenship.

It is not clear why so many Druze have recently changed their minds about citizenship. Golan Druze residents have long objected to the government's plan to issue identity cards to them in accordance with the 1981 Golan Law. In 1982, they struck for over three months and clashed with security forces.

Pro-Syrian groups claim the majority of the Druze population has not changed its mind and still considers itself Arab Syrian by nationality and Druze by religion. The applicants, according to this view, decided to accept Israeli citizenship as a way of improving their economic situation.

"If you are not an Israeli citizen you cannot get permanent status at work, particularly in government offices," one local resident explained.

Another said that many Druze believe that the government will increase funds to the Golan if they become Israeli citizens.

Koenig, however, said the government does not exert any pressure on the Druze and all the applicants made the decision voluntarily.

CSO: 4400/158

MAJOR ROAD WORK UNDER CONSTRUCTION

Muscat TIMES OF OMAN in English 9 Feb 84 p 3

[Article by Muzaffar Mohammad]

[Text]

The Directorate General of Roads launched a big road-building operation this week in Medinat al Nahda.

Work is being carried out by two road improvement brigades — the Capital Area Brigade and the Training Centre Brigade consisting of over 50 Omani road workers.

Tariq Mohammad Amin al Mandhari, Director General of Roads supervised the operation during a visit to the town on Sunday.

Al Nahda Town, situated off the Quryat Road 18 kms from Muscat is a well planned new community. The town started to develop three years ago is a good example of modern planning with adequate space for services.

Tariq al Mandhari who had called it 'the forgotten town' after a visit and decided to see that the residents were given track roads at the earliest opportunity.

The Roads Directorate obtained drawings of the area for the planning department of the Ministry of Land Affairs and Municipalities and held several meetings to draw up a road building programme.

Surveyors were sent to mark out the roads and suitable gravel was

found for the roads foundations.

At the site, the Director-General told the "Times" that the operation was part of the Directorate's policy of concentrating on improving roads in new communities.

He said the programme is aimed at raising the standard of services, especially to expand the road network in the country.

The objective of the programme was not only to provide people with an essential service but also to train Omani road workers to meet the needs of such programmes.

The operation in Al Nahda town which will be completed in 8 to 10 weeks involves building 8 to 12 metre - wide roads in four areas of the town and giving localities a number of feeder roads. The total length of the roads will be 8 kms.

The road work involves watering, grading and compacting repeatedly to give strength and stability to track roads.

The training unit which was headed by Khadim Obeid Mubarak consisted to 24 trained Omani road workers and 15 trainees from three work centres.

The Director General said that after completing roads in Al Nahda town the Directorate will

concentrate its efforts on roads in several Batinah towns — Sohar, Saham, Khaboura and Masnah. Road brigades from the Capital Area will be sent to these towns to work with local road brigades.

The Director General said the policy of the Ministry of Communications is to look after needs of the people wherever they may be. He quoted His Majesty Sultan Qaboos as saying that services should reach Omanis even if they lived on top of mountains.

The Directorate General has achieved a fast rate of Omanisation in recent years. The number of Omanis has grown to 950 from 650 in 1980 out of a total staff of 1,300.

He said rapid Omanisation has been achieved as a result of re-organisation of the Directorate to meet objectives set by the Ministry of Communications. The objectives aimed at meeting needs of the expanding road networks which now consists of 8,000 kms of track roads and 3,500 kms of asphalt roads.

Tariq Mandhari said to provide proper care and maintenance of such a large road network trained staff and the latest technology is required along with proper control and programming to make road building as economical as possible.

BRIEFS

PLANS FOR HEALTH PROJECTS--The Directorate-General of Public Works is working on designs for 17 projects planned by the Ministry of Health for this year to boost health facilities in the country. The projects include six mini-health centres, two primary health care units, two malaria control centres, one health compound, two dispensaries, one mother and child care unit and extension of the two existing hospitals. The mini-health centres have been planned for Khaboura, Wadi Bani Kharous Awabi, Wadi Bani Oaf and Bani Hemli in Rustaq. The malaria control offices will be built at Wadi Bani Rawaha in Sumail and at Ibra. The projects include building primary health centres at al Mushiq in Khaboura and at Yetti on Quryat Road, Sur and Haffit al Zahra. Sunaina in Ibri and Ghina in Bilad Bani Bu Hassan have been selected for location of two new dispensaries. The 1984 health projects include a public health compound to be built in Sur and a mother child care unit at Khaboura. A spokesman of the Directorate-General of Public Works told the Times that designs for most of the projects were ready and would shortly be announced for tender. [Text] [Muscat TIMES OF OMAN in English 2 Feb 84 p 1]

CSO: 4400/166

STATUS OF REBELS, OPERATIONS AGAINST SOVIETS EXPLORED

Kuching THE BORNEO POST in English 13 Jan 84 p 6

[Article by Steward Slavin]

[Text]

NEW DELHI: Guerilla commander Ahmed Shah Masoud, the "lion of the Panjashir valley," gives his trainees a captured Soviet T-55 tank to blow up in a final test before their graduation.

The bearded 30-year-old Massoud instructs the fresh recruits: "Don't forget you training. Don't forget who is your enemy."

Sent off with captured Soviet weapons and the Korean to fight Russian occupation forces, the new Moslem guerrillas shout "god is great" as their truck rumbles north toward the Soviet border.

Four years after the Soviet invasion of Afghanistan, the ill-equipped re-

bels are holding their own against 105,000 Russian troops.

They have killed each other on the battlefield and waged a war of words in political forums.

Analysts say their infighting is hampering chances for a negotiated political settlement.

Massoud, described by some as the Che Guevara of Afghanistan, may be the best hope for uniting the battling rebel groups under one banner, political analysts say.

The Soviet Union began its invasion of Afghanistan on Christmas eve, 1979, claiming its forces were invited by the Afghan regime to stamp out resistance.

But on Dec. 27, Soviet soldiers took control of the capital of Kabul and seized the government palace.

The Afghan leader previously supported by the Soviet Union, President Hafizullah Amin, was assassinated and Babrak Karmal was installed as the new leader, analysts said.

With the installation of the Karmal regime, the Soviets hoped quickly pacify the fiercely indepen-

dent Afghan people, but underestimated the strength and determination of the insurgents.

Now the Soviet Union is embroiled in the longest war outside its borders since 1945. Its casualties are conservatively estimated at 20,000 while hundreds of thousands of Afghans, mostly villagers, are listed as dead or wounded.

One western diplomat said in a year-old report:

"The last eight months have seen moderate resistance gains in most parts of Afghanistan. These gains, however, have not materially affected the longstanding military stalemate."

The most dramatic development of the year was ceasefire in the Panjashir valley negotiated in March by Massoud and the Soviet forces in the region.

The no-war zone covers several hundred square miles in the strategic and fertile valley, 40 miles north of Kabul, which runs parallel to the highway linking the capital to the Soviet Union.

At first, some rebels branded Massoud a traitor for making a deal with the Soviets, who he had repelled in six previous offences.

in the valley.

"Early concern that the peace might be a serious blow to the resistance has not come to pass," one western diplomat said.

The diplomat said Masoud "continues to operate effectively" in training recruits and "harrasing convoys" along the strategic highway while giving the 100,000 inhabitants of the region a chance to carry on a normal life.

A diplomat said the Soviets used the cease-fire to transfer its troops to southern provinces where they tried to intercept weapons from neighboring Pakistan intended for guerrillas.

"That effort has been failure," the diplomat said.

The major conflict among rebel groups is waged in the Pakistani frontier town of Peshawar, where Islamic fundamentalists fight among themselves as well as with a coalition of moderates.

"Political observers in Peshawar believe that during the last five and a half years of their struggle (since communist rule was imposed in 1978) Afghan resistance groups were never so disunited as at present," the diplomat said.

The two most powerful yet bickering rebel leaders in Peshawar belong to the seven-party Islamic alliance for the liberation of Afghanistan.

The guerrilla forces of Gulbuddin Hikmatyar, chief of the Islamic front, and Burhanuddin Rabbani, chairman of the Jamiat-E Islami, clashed north of Kabul, earlier this year, leaving 100 people dead, a western diplomat said.

The Islamic alliance, however, has said "King Zahir Shah can enter Afghanistan only on our dead body." The fundamentalist group is pressing for a purely Islamic State.

"The current year was a bad one for the Soviets. More than 5,000 Soviet soldiers were killed in various battles fought mostly in the northern areas," said Rabbani.

"The fourth anniversary of the invasion of Afghanistan should make the Russian realize that Soviet gunships and Napalm bombs or the deadliest weapons including poisonous gases cannot subdue the Afghans," Rabbani said.

"We will fight the Russians till the death of the last Afghan." —UPI

AFGHANISTAN

AFGHAN MUJAHIDIN TO DECIDE THEIR OWN DESTINY

Tehran KAYHAN INTERNATIONAL in English 13 Feb 84 p 1

[Text] TEHRAN, Feb. 12 (IRNA)--A representative of the Afghan Mujahideen speaking on the situation in Afghanistan said Saturday that the Afghan Muslims are determined to continue with their struggle against the aggressors and hoist the banner of Islam in Afghanistan.

A group of representatives of the Afghan Mujahideen answering the questions raised by the guests of the Islamic Republic of the Ten Day Dawn ceremonies here outlined the present situation in Afghanistan and struggles of the people against aggressors. One of them pointing to the crimes committed by the Soviets in Afghanistan said only a few cities could be found to be immune from aggression of the joint Soviet-Afghan forces. He noted that now only a few families have not lost their members or have been injured.

Despite the martyring and injuring of over a million Afghans and leaving 4.5 million homeless, not only could the aggressors not consolidate their hold over Afghanistan due to the firm resistance of the Mujahideen, but are put to shame in the view of the world.

Another Mujahid commenting on the destiny of the Islamic Revolution of Afghanistan said the struggling Afghan Mujahideen having staunch faith, would decide their own destiny and ultimately establish an Islamic government in Afghanistan.

Another Afghan Mujahid noted that now Afghan Mujahideen control a considerable part of Afghanistan.

CSO: 4600/378

MUJAHIDIN REPORTEDLY MAKE RAID INTO SOVIET UNION

Kuala Lumpur NEW STRAITS TIMES in English 25 Jan 84 p 14

[Text]

MESHED (Iran), Tues. — Afghan mujahidin fighting a bitter war against Soviet and government troops in Afghanistan's north-west Herat province say they have struck inside the Soviet Union itself.

Mujahidin leaders interviewed in this eastern Iranian city, near the Afghan border, said the latest raid inside Soviet territory came about two weeks ago with an attack on a Soviet Customs post at Torghundi on the Soviet-Afghan border, in which several guards were killed and arms and ammunition captured.

The Customs post was on the main road connecting Herat to the Soviet central Asian city of Merv.

Sayed Mohammad Kheirhah, who identified himself as a mujahidin political officer in the Herat region, painted a grim picture of the historically strategic area,

where he said fighting was constant and Soviet bombardments were claiming a heavy civilian casualty toll.

He said mujahidin groups had launched raids across the Soviet border, laying mines on roads, attacking isolated Customs posts and ambushing patrols.

The Muslim soldiers, who have offices in Meshed and Teheran, are grouped within the "Ittihad-E-Islami Mujaheddin-E-Afghanistani" (the Islamic Alliance of Afghan Mujahidin), a coalition of seven groups united to fight the Soviet presence in Afghanistan.

Another mujahidin, Mohammad Asghar, who described himself as a military commander, said Soviet and Afghan Government troops in Herat province were under continuous harassment, moving only in convoys and rarely leaving heavily-guarded barracks.

CSO: 4600/386

MORE THAN 100 MUJAHIDIN REPORTEDLY DIE IN FIGHTING

Kuala Lumpur NEW STRAITS TIMES in English 23 Jan 84 p 15

[Text]

NEW DELHI, Sun. — More than 100 anti-Marxist fighters were reported slain in Afghanistan yesterday, and the Moscow-backed Kabul regime claimed its forces recaptured a strategic eastern district bordering Pakistan.

Afghanistan's official radio also reported that two factions of a Muslim fundamentalist organisation, the Hezbi Islami, clashed in southeastern Kandahar district over "booty" captured in a raid. Thirteen activists belonging to Gulbuddin Hekmatyar's group and seven from Moulwi Younus Khalis were reported slain.

Hekmatyar, Afghanistan's best-known insurgent leader, and Khalis operate from Peshawar, Pakistan.

"Servants of America were wiped out from Urugun district in spite of the loud propaganda about their invincibility," the newscast quoted Afghan Minister for Tribes and Nationalities, Sulaiman Layeq, as saying.

Urugun, in Paktya province, has important rebel supply routes from Pakistan to the provinces of Wardak, near Kabul, Ghazni, Kandahar, Zabol and Oruzgun.

A massive quantity of weapons, some with US and West German markings, were seized by Afghan Government troops, the broadcast said. Among them were 13,702 anti-tank mines, 13 anti-aircraft guns and 47,000 rounds of anti-aircraft ammunition, it added.

"The responsibility for the killings in Paktya lie squarely on the shoulders of the United States," the Minister was quoted as saying.

The Pushtu-language broadcast did not give the exact fatality toll in the week-long fighting in Urugun but said 26 "bandits" were slain yesterday. Kabul reported 83 killings in the region Thursday and 10 earlier.

The rebels call themselves "Mujahidin" or "holy warriors" while the regime describes them as "bandits".

An estimated 4,000 fighters had been battling Soviet and Afghan Government troops in Urugun, said Saed Mohammad Maiwand, an Afghan exile leader in New Delhi. — AP.

CSO: 4600/385

MANY AFGHANS REPORTEDLY KILLED IN AIR RAIDS

Kuching THE BORNEO POST in English 8 Jan 84 p 4

[Text]

RAWALPINDI, Sat:-
Over 150 persons
including women,
children and aged
persons, were killed by
the Soviet planes
bombing at rural areas
of Ghazni province,
reports here said.

The reports noted that
the Soviet MiG planes
and helicopters bombed
11 villages, completely
demolishing four
villages.

Meanwhile the
Mujahideen attacked a
Soviet military convoy
at Shash Village in
Ghazni province, killing
30 soldiers and
destroying five tanks by
rocket launchers.

PLANE DOWNED

The reports added
that the Mujahideen on
Dec. 16 attacked a
Soviet-Karmal convey
at sub-division Sangeen
of Helmand province,
killing 16 Soviet-Karmal
soldiers and where a
Soviet MiG was shot
down by anti-aircraft
guns and six tanks
destroyed.

The Mujahideen also
seized nine
Kalashnikov rifles, the
reports said.

Two women and an
aged person were killed
during the operation
according to the
reports.- Bernama

CSO: 4600/382

REBELS REPORTEDLY HELP REGIME TO REGAIN CITY

Penang THE STAR in English 23 Jan 84 p 17

[Text]

ISLAMABAD, Sun. — Soviet and Afghan troops have broken the rebel siege of the city of Urgan with the help of several rebel groups who rallied to the Soviets, the official Afghan radio said.

Minister for Tribes and Nationalities Suleiman Layeq said on Radio Kabul that the resistance was "crushed" around the garrison city near the Pakistani border.

The Afghan rebels had isolated Urgan and its 300 soldiers but the defection of two rebel leaders allowed Soviet and Afghan reinforcements to reach Urgan.

One rebel unit moved away from

a hill commanding the city's airfield, allowing the Soviets to fly in supplies while the other withdrew from the road linking Urgan to Gardez to the north, resistance sources in Peshawar said.

Several hundred Soviet soldiers backed by about 50 tanks used the road to break through the siege. Last week, infantry units struck out at the rebel positions around the city.

The sources in Peshawar, on the Pakistani side of the border, had no explanation for the apparent defections.

Mr Layeq said that 14,000 anti-tank mines were seized along with 30 cannons and large amounts of food and ammunition.

The fact that it was not the Minister of Defence but the Minister of Tribes and Nationalities who announced the victory was seen as a sign that the defection of the rebels had played a key role in ending the siege.

The battle also dealt a blow to Mujahedeen leader Jellaludin Haqqani, one of the rare leaders to command a following beyond his own tribe, who had co-ordinated the military actions of several rival groups. — AFP.

CSO: 4600/384

AFGHANISTAN

BRIEFS

MILITARY LEADERSHIP SHAKEUP--ISLAMABAD, Tues.--Afghanistan has shaken up its military leadership, replacing the Chief of Staff and other defence officials, to strengthen its hand against the mujahidin, Western diplomats said today. Lt-Gen Nazar Mohammad, the tough former head of the air force, was made Chief of Staff on Jan 7, replacing the ageing Lt-Gen Baba Jan, the diplomats said. They were quoting reports from their embassies in Kabul. The former deputy head of the Khan secret police, Maj-Gen Ghulam Qader Miakhei, was named Deputy Chief of Staff, and Maj-Gen Nabi Azimi, who recently returned from a training course in the Soviet Union, was appointed First Deputy Minister of Defence, the diplomats said.--Reuter. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 25 Jan 84 p 14]

CSO: 4600/386

PRESS REPORTS, COMMENTS ON PR BARTER PROTOCOL

Protocol Signed in Beijing

Dhaka THE BANGLADESH OBSERVER in English 5 Jan 84 p 1

[Text] Bangladesh and China signed seventh barter protocol on last Thursday in Beijing, says a PID handout.

Mr. S. Hasan Ahma, Additional Secretary, in-Charge, Commerce Division, and Mr. Wang Qinqing, Vice Minister, Ministry of Foreign Economic Relations and Trade of China signed the protocol on behalf of their respective Governments.

The protocol provides for an exchange of goods worth US \$62 million. The commodities include new items namely high speed diesel, lubricating base-oil, manufactured jute goods and jute yarn, finished and crustleather, particle board, etc. Import of raw cotton from China has also been arranged for the first time under the extended barter protocol No. 6.

The protocol was signed in presence of Madame Chen Muhua, State Councillor and Minister of Foreign Economic Relations and Trade and Mr. C. M. Murshed, Bangladesh Ambassador to China.

Earlier, Mr. Hasan Ahmad, called on Madam Chen Muhua and discussed matters relating to bilateral trade and economic cooperation between the two countries. Madame Chen expressed satisfaction at the growing cooperation in the field of trade and economic relations between the two countries and hoped that this would expand further in future. She also pledged her country's full support to Bangladesh's efforts at economic development.

'Genuine' Friendship

Dhaka THE NEW NATION in English 7 Jan 84 p 5

[Editorial]

[Text] Bangladesh and China signed seventh barter protocol on Thursday in Beijing providing for an exchange of goods worth US \$62 million. The commodities include new items namely high speed diesel, lubricating base oil, manufactured jute goods and jute yarn, finished and crust leather, particle board etc. Import of raw cotton from China has also been arranged for the first time under the extended barter protocol No. 6.

Friendship between Bangladesh and China goes back to ancient times. The visit of China's ping-pong delegation to Bangladesh in 1977, transfer of the holy ashes of Atisa Dipankar from Peking to Dhaka in 1978, and a number of visits and exchange visits of goodwill missions and trade delegations in the recent years further cemented the ties of friendship between the two neighbours. Both the countries became eager for setting up a joint economic commission and a protocol. Thus the seventh barter protocol and the extended sixth barter protocol are the outcome of the genuine eagerness shown by both the countries to cooperate with each other to their mutual interest. The seventh barter protocol and the extended sixth have identified some fields of cooperation. We hope both the countries would find the agreements mutually beneficial. As both the countries aim at economic progress in an atmosphere of peace and tranquility and as they have identical views on regional and international matters, it can be reasonably expected that the field of cooperation between them in all matters including trade and commerce would be further extended in future. In the past China proposed to help Dhaka develop her river basins. We hope the proposal will take a concrete shape in the near future and Bangladesh will be free from the curses of flood and drought gaining from Chinese experience and assistance in the field. We also hope that the construction of the bridge over the river Buriganga will also start soon for which an agreement has already been signed.

CSO: 4600/1484

IRAN

TEHRAN MAJLIS DEPUTY WARNS GULF 'REACTIONARY' STATES

LD051352 Tehran Domestic Service in Persian 1030 GMT 5 Feb 84

[Excerpts] Fakhreddin Hejazi, Majlis deputy for Tehran, was the first pre-agenda speaker at today's open Majlis session. He said: Our revolution's path has already been charted by Islam, social dynamism and the imam's guidance. Fortunately, we have left behind various crises, while our revolution has spread beyond our borders to other world Muslims.

Commenting on support provided by both the East and the West to Saddam's Zionist regime, he said: such support proves that the West and the East are today openly fighting in unison against us. They have threatened to bomb out towns. However, these criminal acts will only foment our fighting flame.

Commenting on the mischievous acts by the region's reactionary countries, he said: The sultan of Oman intends providing America and Iraq with an air base. As for his associates, they should bear in mind that the Iranian people have managed to tame Iraq, agent of the East and the West, and are thus able to foil any of their plans. He also warned the region's shaykhs.

The deputy for Tehran, stressing the need to strengthen the "Here am I, O Khomeyni" [Labbayk Ya Khomeyni] Plan, called on the government to provide it with its provisional forces. He also asked the Majlis speaker to make arrangements for Majlis deputies to take part in the plan.

Concluding his remarks, he called on the Supreme Defence Council to make the necessary retaliation against the enemy's air and missile attacks.

CSO: 4640/124

TEHRAN RADIO COMMENTS ON SADDAM'S THREATS

GF050747 Tehran Domestic Service in Persian 0430 GMT 5 Feb 84

[Commentary by research group of the Central News Unit of Ahvaz]

[Excerpts] The recent threats by Saddam are the result of a recent meeting between the U.S. envoy and Saddam.

On the basis of alleged bombing of Iraqi cities and populated areas by the Iranian forces, the criminal regime of Iraq has recently said that it will subject the Iranian cities to shelling and rocket attacks.

Soon after the publication of this criminal decision by the Iraqi regime our prime minister denied the false allegations of the Iraqi regime regarding the bombing of populated areas by the Iranian forces. Alerting the international progressive and humane organizations about the threat, he pointed to the Iraqi crimes and their backing by the superpowers and announced that Iran and the Islamic revolution will not submit to conditions which the United States and Israel, and in fact all the imperialists, have proposed through their instrument Saddam. He said that the imposed war will end only after liberation of all the Islamic territory of Iran and payment of reparations for damages suffered by our people, that peace in the Middle East will not be possible unless all the infiltrating Western forces leave, and that all the affairs of the region are given to the people of this region who are indeed its real owners.

Following repeated defeats suffered by the Iraqi regime at the hands of the Iranian forces, the noticeable victories of the Islamic fighters against Iraq, and the weakening of the aggressors against the Islamic Republic, the ruling regime in Baghdad is now trying to find various ways to intimidate the Iranian Republic into accepting an imposed peace to extricate itself from the mire it has created for itself.

It is worth noticing that no savage acts of Saddam have enlisted the smallest opposition from the Soviet Union and many of the missiles dropped on our populated areas have been donated to the Iraqi regime by that Eastern superpower. Moreover, the supply of arms from Moscow to Baghdad continue unaffected. Similarly, Baghdad relations with Washington are growing and expanding daily. No wonder the U.S. officials recently said that the defeat of Iraq would endanger vital U.S. interests in the region.

The fact is that the West and the East together with the self-selling reactionary rulers in the region, by supplying arms to Iraq are trying to save the Saddam regime from sure destruction and check the spread and strength of the Islamic Revolution in this region. They believe that the success of the Islamic Republic and the final defeat of the Iraqi regime will place the natural resources and wealth of this region in the hands of the Islamic nations against the interests of the world superpowers and that it will also adversely affect the interests of American imperialism, whose safety lies in the continuation of the criminal regime in Iran.

The latest threat from Saddam has incidently coincided with the visit by the United States undersecretary for foreign affairs, Richard Murphy, to Baghdad and is an attempt by the Iraqi regime to extricate itself from the strong tackle of the Islamic fighters and for stopping the Iranian nation from pursuing its rightful struggle.

The latest threat by Saddam, as before, will not affect the determination of the Islamic people of Iran. It will only increase the determination of the Islamic fighters to landing the final blow against the Iraqi regime to the advantage of the Iranian people.

CSO: 4640/125

DEPUTY SAYS 'NATION READY TO ENDURE HARDSHIPS'

Tehran TEHRAN TIMES in English 14 Feb 84 p 2

[Text] TEHRAN--A Deputy in Majlis (Parliament) reiterated Sunday that "the Iranian nation is ready to endure any kind of hardship" for their Islamic cause and declared that American officials were "unaware of adverse outcome of their anti-Iran measures" which shall backfire upon the Reagan Administration, reported IRNA.

Majlis Deputy from Dezful in souther Khuzistan province Ahmad Zarhani said during an open session of the Majlis that in the recent months and after the revolutionary and mass execution of U.S. marines by the brave children of Islam in Lebanon and the flaring of revolutionary movements in Tunisia, Morocco and other Islamic and deprived countries, the U.S. embarked on futile measures while unaware of their adverse and critical outcome.

One of these aborted moves was to include Iran in the list of terrorist countries which was followed by the dispatch to Baghdad of a delegation led by U.S. assistant secretary of state, last week.

Zarhani then pointed out the joint policies of the CIA and the Iraqi Ba'ath Party in countering the Islamic Revolution.

He stressed that if the U.S. wanted to resort to silly measures, it would be severely rebuffed.

In another part, he described the recent missile attack of Iraqi aggressors upon Dezful's residential areas, saying time for retaliation was ripe and after more than three years of patience and suffering the shells of the Islamic defenders of Iran had now disturbed the apparent peace of the Iraqi criminals after countless of atrocities.

Meanwhile, in an earlier session, a deputy of Majlis in a pre-agenda speech analyzed regional chaos and disorder.

The continued confrontation of down-trodden masses against oppressing dictators has no more than two solution, namely, either the Super-powers shall come to their senses and surrender to humane considerations or a bloody universal revolution will put an end to prevailing injustice around the globe, said Mohammad Reza Abbasi Fard.

He detailed defeats suffered by foreign invading forces in many countries and predicted an imminent triumph of invaded nations. Said the representative from Kuhdasht and Cahgeini constituency:

"Lebanon with its delicious taste of apples and oranges eyed by the Super-powers as 'an easy bite' has now become a touch nut to crack. It is now choking the throat of American and French troops like an unswallowable piece of dry bone.

"Afghanistan is also turning into a graveyard of the Red Army. The Saharawis, too, have been driven to a situation where they prefer to forget about hunger and poverty. They are instead bent on destroying the source of all corruption, the King Hassan of Islamic Revolution in Iran, Abbasi Fard said: "Saddam, the most foolish regional agent, was the first to get caught up in the revolutionary flames which evaporated his iron rule: He is now doing a death dance upon failure of the strategic military path he had chosen."

Another Deputy Fakhreddin Hejazi said that, "support of Eastern and Western imperialism for the Iraqi Ba'athist regime meant that both East and West are fighting against Iran."

He added that Soviet Union "has taken the mask off its face" and is "officially supporting the aggressor Iraqi regime."

Hejazi blasted "expressions attributed to leader of the Nehzat-e-Azadi" (the so called Freedom Movement party) printed in a newspaper abroad. "If suppression exists, then what does printing and circulation of all these domestic publications (by that party) throughout the country signify?", he questioned.

"They allege that we maintain relations with the Soviet Union and follow its footsteps," continued Hejazi, while asking, if it is so, then "why is it that Radio Moscow attacks and pressurizes Iran not to punish dissolved (pro-Moscow) Tudeh Party members?"

He said Iran has punished and will continue to track down traitors who act against the divine rule.

Taking up Middle East issues, the deputy said people of Oman should stand against decision of the foreign-installed king to grant access for Iraq and United States to air bases in that country.

Similar anti-air base protests by other regional nations will make sheikhs of the region understand that such "agitations consist a great uprising which no power can stand against."

Deputy Mir Yusef Jaberri from Bonab and Malekan constituency criticized Moslem forces "who make up one-fourth of the world population" for having remained ineffective against catastrophic incidents against Moslem nations, especially in the Middle East region.

The representative from East Azarbaijan especially pointed to an unfair silence of Moslem nations against atrocities of the Superpowers around the world.

TEN-DAY DAWN GUESTS EXPRESS SOLIDARITY WITH IRAN

Tehran KAYHAN INTERNATIONAL in English 12 Feb 84 p 2

[Text]

In the Name of Allah the Beneficent the Merciful

PRESS RELEASE

FROM: The Invited guests of the Ten Days of Dawn celebration

TO: The Muslim people of Iran.

Praise to Almighty Allah, Helper of the Oppressed and Destroyer of the Oppressors. Peace and Blessings upon His Messenger Muhammad, and Greetings to the Shuhada' of Islam, and the Muslim combatants all over the world.

We, The International Committee for Solidarity with the Islamic Revolution, have been deeply moved by our stay in Iran and wish to thank our hosts for the deep Islamic concern and hospitality which they have shown us. We have been forever touched by the warmth, courage, and selfless sacrifices of the Muslim people of Iran. We have been inspired by their steadfastness in upholding the banner of Islam and the unity and dignity of all Muslims. We reaffirm our support for and solidarity with the Islamic Republic and pray that Allah preserve it and Imam Khomeini.

— We express our solidarity with the Islamic Revolution and pledge to defend it against the falsehoods and slanders spread by the anti-Islamic forces and their media. We wish to inform our Iranian brothers and sisters that upon returning to our respective countries we will do our best to publicize the good things we have seen and learned during our stay.

— We fully support the efforts of the Islamic government to make the Islamic Republic independent in all fields. We feel that the slogan of "No East, No West, Only Islam" heralds a new era in the history of the Islamic Ummah. We also realize that the strides taken by the Islamic Republic towards realizing this independence could not have been possible without the committed leadership of the Ulama' and the firm and overwhelming support of the masses of the Iranian people. These developments are a source of inspiration and pride for those of us in other lands.

— We support the efforts of the Islamic Republic to establish unity between the Sunni and Shi'a Madhahib. We appreciate the programs and conferences which they have sponsored in order to help eliminate all barriers between Muslims and bring Sunnis and Shi'as together in the universal Islamic Movement. We look at the goodwill and cooperation between Sunnis and Shi'as in Iran itself as a constructive model for the rest of the Ummah.

— We support the war effort of the Islamic Republic and we endorse the just demands of the Iranian nation against the aggressor criminal Saddam. We fully support Iran's decision to retaliate against any more barbaric attacks on Iran's cities and civilian areas. We also support the commitment of the Islamic Republic's Ulama', Mujahideen, and people to liberate Al-Qods.

— We join the Islamic Republic in condemning the Zionist occupation of Palestine, the Russian occupation of Afghanistan, the American intervention in Lebanon and elsewhere in the region, and we are united in our support of the just liberation struggles throughout the world.

— We condemn the hypocritical stand of the so-called Human Rights Organizations who while spreading lies and fabrications about torture and repression in the Islamic Republic, have said nothing about the inhuman and dastardly Iraqi bomb and missile attacks against Iranian cities and residential areas. These organizations maintain their silence despite the fact that many cities, such as Bostan, Hoveizah, and Khorramshahr, have been razed to the ground.

— We further condemn the Arab regimes which have provided over forty billion dollars to Saddam to finance his treacherous invasion, carnage, and plunder. We call on all Muslims of the world to reject these hypocritical regimes and the pseudo-Islamic organizations which they sponsor. We condemn the efforts of these regimes to silence our support for the Islamic Revolution through their financial incentives, passive political organizations, and scholars who spread their "sterile" Islam.

— We once again repeat our thanks to the Islamic Republic for the pains and sacrifices they made to bring us here. They have made us feel totally at home in every way. No words could truly describe what we have experienced. May Allah bless and preserve the Islamic leadership and the people of Iran and give them the reward they so greatly deserve. Our deepest and most heartfelt thanks and appreciation.

Statement drafting committee: FROM: Kenya, Mauritius, Trinidad, America, Guyana, Barbados, Southern Africa, Bahamas, Canada, and Uganda; on behalf of all of the invited guests.

TEHRAN ARABIC COMMENTS ON IRAQI THREATS

GF051158 Tehran International Service in Arabic 1730 GMT 4 Feb 84

[Unattributed Commentary]

[Excerpts] The threat is the weapon of those who are weak. Various kinds of threats are directed against the civilians of the residential towns. It seems that Saddam--after he has lost all his weapons for confronting the Islamic Revolution--has at last resorted to the weapons of the feeble in order to achieve his evil goals, ignoring the fact that such weapons, which he has used several times, will not do him any good this time, as they have never done him any good before.

Everybody is commenting today that if the Iraqi leaders are able to confront and are as powerful as they claim, they would have shown their power and courage on the battlefronts and not on the heads of the children and women.

From time to time, those leaders sound the warning siren, threatening and warning, as if the world has nothing to do but listen to their warnings. Not long ago, while reviewing the history, they used the Super-Etendard planes as instruments of warning and alertness, but they were only disappointed. Our Muslim people confront these threats by first totally ignoring them and then by responding to them in large military operations, which resulted in the deaths of thousands of aggressors, the capture of hundreds of prisoners, and the liberation of hundreds of kilometers of Iraqi territory.

After the incidents proved the failure of this method, those (?invaders) wanted to repeat the unsuccessful experience, with the (?help) of Washington this time.

Almost a week ago the Voice of America announced in a report that Iraq has received Soviet SS-16 missiles the range of which is 800 kms. This report reflected the arrogant trumpets and the speculation of the military experts. There was a media uproar which was not different from the uproar sounded by the imperialist trumpets on the Super-Etendard planes, as if the matter points out something which those circles and their agents in Baghdad (?know).

It did not take long until there was the Ba'thist's warning that they would shell various Islamic towns with long-range missiles, and then to complete this scenario, those leaders asked the people of those towns to leave their homes.

Where are those who call for peace today? Where are the good offices delegations which have been used to move with the (?violations) of leaders of Iraq, responding the call of the tyrants and ignoring the appeal for help of the tyrannized? Where is the Islamic world today, before this [words indistinct] break out and causes bloodshed and the destruction of the world.

CSO: 4604/13

IRAN

BANK OFFICIAL COMMENTS ON ISLAMIC SYSTEM

GF061658 Tehran IRNA in English 1622 GMT 6 Feb 84

[Text] Tehran, 6 Feb (IRNA)--Governor of the Central Bank of Iran, Mohsen Nurbakhsh, in an interview with the evening daily ETTELA'AT, Sunday, said that the new banking system would curtail the activities of the profiteers.

Another feature of the Islamic banking system is introduction of the interest-free loans which is an additional step towards cooperation. These loans would help development of the agricultural sector which is the main core of the economic development, he added.

As for the people's deposits with the banks, he said that throughout the year it has increased by an average of 25 percent and total deposits with the banks at present was over 6,000 billion rials (68 billion dollars), showing the degree of public trust with the banks and the government.

Speaking about the anti-inflation programmes of the government, Nurbakhsh said that the budget formulated for the next Iranian year has been anti-inflationary and the incomes and expenditure have balanced.

On foreign exchange policies of the government, he said the Central Bank allocated funds in a way that it would be used for investment in the country.

When asked about the latest developments with the Algiers accord, he said that overall out of the banks which had disputes with the Islamic Republic of Iran, all but six of the cases have been concluded. Negotiations will be held in future to reach a settlement with these banks, once such a settlement is reached status of negotiations on banking disputes would be clarified, he concluded.

CSO: 4600/371

IRAN

IRNA CARRIES PAPERS' HEADLINES ON IRAQI THREAT

GF061734 Tehran IRNA in English 1657 GMT 6 Feb 84

[Text] Tehran, 6 Feb (IRNA)--All national newspapers today splashed their front pages with warnings against the Iraqi regime that the Islamic Republic would firmly react to any criminal action.

The head of the Supreme Defence Council and military commanders made final decisions to counter Iraq's threats and aggressions, the cross column KEYHAN headline reads.

KEYHAN's other headlines read:

President: Any Aggressive Action of the Iraqi Regime Will Be Given a Proper Response With Measures Taken,

Chief of Staff: We Will Demolish All the Installations and Industrial Centers of the Ba'thist Regime,

Prime Minister: Our Faithful and Courageous Combatants Are Prepared To Give a Crushing Response to Any New Crime by Saddam,

Air Force Commander: We Are Prepared to Launch Any Required Military Operations Against the Enemy,

One Hundred Twenty Five Majlis Representatives in a Letter to the Commander-in-Chief: Our Muslim People Will Not Permit Saddam to Continue His Countless Atrocities,

Foreign Guests Request To Be Sent to Border Cities and Warfronts.

The morning paper JOMHURI-YE ESLAMI as well as the evening KEYHAN printed photographs of last night's meeting of President Khamene'i and the commanders of the armed forces.

Evening Daily ETTELA'AT carried Portraits of President Khamene'i and the chiefs of the armed forces.

President: We Will Give a Proper Response to the Aggressors Against Any Aggressive Action by the Ba'thists, JOMHURI-YE ESLAMI's leading headline reads.

Other sub-headlines carried warnings against Iraq from the prime minister, and the commanders of the armed forces.

JOMHURI-YE ESLAMI'S front page editorial was also on the Iraqi imposed war and the anniversary of the Islamic revolution.

After discussing important military matters and taking proper measures in the gathering of the head of the Supreme Defence Council and the commanders of the military, president announced: We will respond to any aggressive action by Iraq, the evening ETTELA'AT wrote in red and black letters.

CSO: 4600/370

BRIEFS

RADIO QURAN COMMENCES BROADCAST--TEHRAN, Feb. 13 (IRNA)--"Radio Quran", a new broadcasting station in Tehran commenced its activities paralleling the occasion of the fifth anniversary of the culmination of the Islamic Revolution on Saturday, February 11. In the inaugural program, President Khamene'i delivered an address and read recitations from the Holy Quran. The station transmits at 13:32 on the medium wave and 106.7 on FM from 13:30 to 16:30 GMT every day. It features recitation by Iranian and world renowned reciters of the Holy Quran. The station is to cover about 60 percent of the country's geographical area by early spring this year. [Text] [Tehran KAYHAN INTERNATIONAL in English 14 Feb 84 p 1]

PRISONERS ATTEND FRIDAY PRAYERS--Khomeyni's radio yesterday reported that a group of foreign correspondents had visited the Evin prison. During this visit, Asadollah Lajvardi told the correspondents that ordinary prisoners have complete freedom and always attend the Friday prayers. From this statement by Lajvardi it is very clear that a majority of people attending the Friday prayers in Tehran and in provincial cities are prison inmates who are forced to attend these shows. These prisoners include vagabonds, thieves, and smugglers who on Fridays, (?according to the prison official), acquire the status of devout worshippers. [Text] [GF121110 (Clandestine) Radio Iran in Persian 1930 GMT 11 Feb 84]

FRENCH POLICE ARREST IRANIANS--PARIS, Feb. 12 (IRNA)--One hundred Iranian Muslim brothers and sisters were reportedly arrested on Saturday by French police while attempting to participate in ceremonies to mark the 5th anniversary of the victory of the Islamic Revolution of Iran. The arrests were made near the Islamic Culture House of Iran here, recently closed down by the French government. The Union of Islamic Associations in Europe in a message released on that day denounced the French move saying that they had no justifiable reason for preventing the holding of the program. Meanwhile, the Islamic Association of the Iranian Muslim students in Paris in their message congratulated Imam Khomeini, Ayatollah Montazeri, as well as the Iranian nation on the occasion of the 5th anniversary of the victory of the Islamic Revolution. They also prayed for the victory of the Islamic combatants over the Iraqi invaders. [Text] [Tehran KAYHAN INTERNATIONAL in English 13 Feb 84 p 1]

ZIA REGIME STRONGLY DENOUNCED

Kabul NEW TIMES in English 28 Jan 84 p 3

[Article: "Six Years of Pak Military Regime--Nothing but Crime"]

[Text] Over six years have elapsed since the militarists of Pakistan seized power under the one-man rule of General Zia-ul-Haq.

The people of Pakistan have been hearing so many times the shameless lies of the dictatorial regime since July 5, 1978 since General Zia-ul-Haq staged a military coup.

At the moments of taking power, Zia-ul-Haq demagogically promised with the people of Pakistan that elections would take place within 90 days, the administration of the country be subsequently handed over to an elected government, while the armed forces would return to the barracks. But now six years have passed since he made those promises, during which the military regime has endeavoured to almost abrogate the constitution of 1973 of the country under his own orders contrary to the wishes of the people of Pakistan.

As the Zia's regime has not social or mass base, th-

erefore, over the period of last six years it has tried by means of different tricks, such as establishing Nizam-e-Mustafa (prophet's order) and resorting to repression and intimidation, to surrender Pakistan to imperialism and reaction with the support of most reactionary parties like Jamaat-e-Islami.

The people of Pakistan are witnessing that during this period all the positive steps which were taken by the government of Zulfikar Ali Bhutto for development of Pakistani society were nullified by the military rulers.

In respect of the foreign policy, the military rulers have taken notorious and dangerous steps in the interest of the aggressive policy of the US imperialism headed by Reagan administration.

The outstanding examples of these dangerous measures can be seen in the protocol concluded on

the sale of American made weapons to Pakistan at the cost of 3.2 billion dollars. The delivery of the military hardware inserted in the protocol, including the vast financial assistance under the conditions of neo-colonialism and the concessions for the establishment of American military bases in the territory of Pakistan will take place till the year 1985.

The delivery of F-16 fighter bombers, the Harpoon rockets and other various kinds of modern weapons such as Mirage-5 equipped with Exocet rockets on behalf of the aggressive countries of Nato headed by Pentagon, to Zia-ul-Haq's regime is taking place at a time when millions of Pakistani workers and experts are wondering in the foreign countries seeking employment and thousands of political personalities and famous leaders of this country are

either imprisoned, tortured or expelled from the country. The representatives of the most reactionary circles of capitalist monopolies especially arms race monopolies which the Reagan Administration is heavily relying on, have continuously visited Pakistan and are giving dangerous consultations to military dictators for further intensification of pressure on the masses of people, deprivation of their democratic rights, creation of tense atmosphere and suggesting to interfere in the internal affairs of its neighbours especially the DRA and India.

Assessment of the reports published in the Indian newspapers indicate that only in the month of August last year, as a result of massive protests by the people of Pakistan against the military regime on the call of the movement for restoration of democracy more than 8,000 citizens of Pakistan were imprisoned by the military dictator because of participating in the demonstrations and chanting anti-military government slogans.

During the violent protests launched by the people throughout Pakistan especially in Sind province, the military General's government proved that they can only utilise "pure military operations" against the peo-

ple, unarmed and defenceless people of Pakistan.

Commenting on the procedure of the military regime of Pakistan the daily National Herald in its issue dated August 28 quoting one of the leaders of the movement for restoration of democracy writes: "The army intends to rule by fist and the bayonet and bullet. And he has got no intention whatsoever of bringing democracy. Neither can be trusted."

Indian newspapers report that the situation in Pakistan is in a state of extreme crisis and as we have witnessed in the second half of 1983, the people of Pakistan launched violent protests against the military regime for restoration of their democratic rights which culminated in bloody confrontations.

These confrontations caused the death and injury of hundreds of people in all the provinces of Pakistan. Ghaus Bakhsh Buzanjo leader of the Pakistan national party commenting on the events of August 1983 said: "The people found themselves forced to confront the government at their patience has been impaired owing to a foreign policy which was subservient to imperialist inter-

est". "For reasons of its global strategy the USA would not allow a democratic elected government to manage the affairs of Pakistan."

The recent developments in Pakistan have further disclosed these facts. The military ruler of Pakistan in response to the demands of millions of people did not retreat but on the contrary relying on the instructions of Reagan administration through Weigner and other White House advisors used bullets against the arisen people of Pakistan.

Indian newspapers write that at present time more than 30,000 citizens of Pakistan are imprisoned and ruthlessly tortured for having political beliefs contrary to that of the generals.

The Daily National Herald quoting one of the leaders of the movement for restoration of democracy on the reactions of the opposition leaders about the statements of Zia-ul-Haq in connection with holding of elections editorially writes: "General Zia-ul-Haq will hold elections when he is 85, not in 1985."

The people of Pakistan will achieve their own aims which is contrary to the objectives of American imperialism and imaginations of general Zia-ul-Haq.

U.S. SENATE ARMED SERVICES COMMITTEE TEAM LEAVES

BK201131 Karachi Domestic Service in English 1005 GMT 20 Feb 84

[Text] The five-member U.S. Congressional delegation led by chairman of the Senate Armed Services Committee Senator John Tower, left Islamabad this morning on its way back home. Talking to newsmen at the airport, Senator John Tower said his talks with President Mohammad Ziaul Haq have renewed his confidence in good relationship between Pakistan and the United States. Mr Tower said he discussed with Pakistani leaders the Afghanistan problem and other international matters, including the Middle East. He said Pakistan is doing a splendid job in looking after the Afghan refugees despite the fact that it is a huge burden on its resources. He felt that the international assistance for the Afghan refugees should be increased.

Replying to a question, the American senator said the Afghanistan issue cannot be settled unless the Soviet Union realizes that it is neither in the interest of world peace nor in its own interest to continue its occupation of Afghanistan. He said the American people have a general understanding of the Afghanistan problem, but he did not think that they realize the gravity of the issue.

Replying to a question, Mr Tower said he discussed the military sales package between Pakistan and the United States during his talks with the Pakistani leaders. However, the question of concessions or quantum of sales did not come under discussion.

CSO: 4600/369

SOVIET AMBASSADOR'S REMARKS, VIEWS CRITICIZED

GF151520 Karachi MASHRIQ in Urdu 8 Feb 84 p 3

[Editorial: "The Soviet Union Is Compelled To Do So"]

[Text] President General Mohammad Ziaul Haq has described as totally baseless the Soviet ambassador's statement in which he accused Pakistan of having camps to train the Afghan Mujahidin. He said the Soviet ambassador also is fully aware of this fact. While doing what he is asked to do by the Soviet Government, he may say anything but the fact is that there are no camps in Pakistan for training Afghan Mujahidin. Some circles are unjustifiably upset at this accusation by the Soviet ambassador. The president of Pakistan has correctly reminded everybody that every ambassador is dutybound to carry out the policies of his government.

It is quite clear that Soviet Union has no justification for its presence in Afghanistan and therefore, it constantly hides behind the baseless excuses that foreign intervention is going on in Afghanistan on the orders of the United States. It is for this reason that it has to blame Pakistan for supplying arms to the Afghan Mujahidin and giving them training. They know perfectly well that the Afghan Mujahidin are fighting with the arms which they have captured from the Karmal regime soldiers and Soviet soldiers. The spirit in which they defend their country is so strong that the giant Soviet military strength feels helpless against the defensive measure of the Afghans. It is a plain fact that mercenary terrorists do not show such spirit of sacrifice. If the Afghan Mujahidin could in actual fact get modern arms from the outside world, they would have thrown the Soviet forces out of Afghanistan long ago. These poor people are fighting merely on the strength and fervour of their patriotism. It would be an insult to their heroism and bravery to say that they are imperialist mercenaries.

In any case, the Soviet Union is doing all it can to weaken the Afghan resistance movement but has not had any success so far. It is for this reason that along with its efforts to crush the Afghan resistance movement, it also supports the efforts for a peaceful political solution of the Afghan question through the auspices of the United Nations. If the pressure of world opinion continues on the Soviet Union and if the Afghan Mujahidin continued to show their spirit of defense as they are doing now even though they lack material resources, the Soviet Union will have to come to some understanding to save face.

However, if there is even a slightest sign that as the time passes, the Afghan resistance will also weaken, the Soviet Union will continue to defend its presence in Afghanistan on the pretence that it is there only to combat foreign interference in Afghanistan. This logic may be a fallacious one and without any bases, but the Soviet Union is compelled to take shelter behind this reasoning, and therefore, nobody should believe that the Soviet Union is complaining against Pakistan from the depth of its heart, or that such statements can affect in any way the relations between Pakistan and the Soviet Union which are normal at the present time.

Pakistan has no hostility toward the Soviet Union and neither does it want to create obstacles in the way of the relations between the two countries. The stance taken by the Soviet Union is only on principle and in its heart of hearts it admits this fact. Therefore, we should know that whatever the Soviet Union says in so many words, it does so by compulsion.

CSO: 4656/95

SOVIET AMBASSADOR'S STATEMENT TERMED 'OBJECTIONABLE'

GF151025 Rawalpindi PAKISTAN TIMES in English 5 Feb 84 p 6

[Text] Peshawar, 4 Feb--Qazi Hussain Ahmad, secretary general, Tehrik-i-Islami Pakistan, has strongly criticized Soviet Ambassador Vitaliy Smirnov's speech in Lahore the other day.

He described it highly objectionable and against all diplomatic norms and a clear interference in the internal affairs of Pakistan.

In a written press statement issued here today, Qazi Hussain Ahmad said what the Russian ambassador has said in Lahore had so far been said by the touts and puppets in the country but he had himself come out in the political field to give some weight to the same version. This attitude of a superpower diplomat clearly meant that it was subjecting the Pakistan nation to pressure.

Qazi Hussain Ahmad said that the Russian ambassador was stressing that his country had not invaded Afghanistan. After killing as many as ten lakh citizens and one-fourth of its population rendered homeless with a might of two lakh forces this was yet another ridiculous statement. He also referred to the Russian ambassador's offer of making Pakistan richest country if it refrains from helping Afghan nation in its just cause.

The Tehrik-i-Islami leader said the Soviet ambassador must beware that the Afghan Mujahideen have given a confidence and spirit of living to the entire suppressed nations of the world by aborting all oppressive tactics of the occupation forces in their country. If they dare interfere in Pakistan, he warned, they would further be drowned in depths as they had met the consequences of their military invasion in Afghanistan.

Mr Tahir Mehmud, advocate, joint secretary of defunct Pakistan Muslim League has sharply reacted to the speech of Mr Smirnov.

In a press statement here today, the Muslim League leader said that most objectionable part of the undue pressurising attitude of the Soviet diplomat was that his speeches were arranged in the heart of the country and the cream of politicians administrations and elite were made present to listen to him.

Referring to the threats hidden in some attractive statements were highly regrettable in the wake of the fact that Pakistan was already subjected to great pressures on its western borders due to Afghanistan's occupation by the Russian forces.

He described it as a cruel fact that on one hand the innocent Pakistani citizens were being subjected to savage bombings and their homes were demolished without any fault of theirs and the Soviet diplomats on the other were claiming good relations with Pakistan. It was a serious joke.

He also expressed his concern on the report that some very important figures of government machinery and politicians of various sections were present on this occasion.--PPI

CSO: 4600/369

SOVIET AMBASSADOR TALKS ABOUT BILATERAL RELATIONS

GF120658 Karachi DAWN in English 3 Feb 84 p 4

[Text] Lahore, 2 Feb--The Soviet ambassador to Pakistan, Mr Vitaliy S. Smirnov, has said that the USSR attached great importance to its relations with neighbouring Pakistan.

He was speaking on "Soviet policy towards the countries of the sub-continent" at a function organised by the Council of National Security Studies (partly reported in Thursday's issue of DAWN).

Mr Smirnov claimed that the entire history of ties between the two countries showed that throughout the years, the USSR had been striving for good-neighbourly and friendly bilateral ties with all countries. It was a principled stand in relation with all nations, and Pakistan was no exception.

He said Soviet-Pakistan trade and economic cooperation continued to develop successfully on a mutually advantageous basis, promoting the economic development of Pakistan. In this respect, the Soviet Union did not see any privileges for itself, nor did it "pin any political strings on its aid." It solely proceeded from the principles of equality and mutual interest.

He maintained that last year had witnessed the steady development of the contacts between the two countries in various spheres. Most important of them was, of course, the meeting in November 1982 between Soviet leader Yuriy Andropov and President Ziaul Haq. He recounted various other contacts that had taken place between Soviet and Pakistan leaders.

The Soviet Union was ready for cooperation in marine shipping, consular affairs, for exchanges of visits of artists, musicians, exhibitions of painters, etc., he added.

He, however, warned that not everything depended on the USSR. The development of bilateral relations was a two-way traffic. And it was important not only to make good speeches and express wishes, but to take practical steps.

"We are close neighbours; both of our countries are interested in peace and stability in the region. To achieve these goals, it is important not only to correctly assess the present situation, but also to see everything in perspective, to practice political realism, to be guided by genuine national interests and not by the interests of those forces who try to block the development of these relations, because it contradicts their strategic military plans in this area," he added.

Making a pointed reference to the Indo-Soviet ties, he said that joint action with "peaceful and independent India will continue to be one of the important areas of Soviet foreign policy." In his opinion the Indo-Soviet treaty of friendship and cooperation of 1971 "is falsely and deliberately considered by somebody here as a military pact."

He claimed that the Soviet-India treaty was not directed against any third party. He said the ties between the two countries were based on their basic interests and would serve the cause of peace and stability in the region. In his opinion the ties presented model relations between states with different social systems.

Coming to Soviet ties with China, Mr Smirnov said: "If Soviet-Chinese relations are still frozen, the reason for this has nothing to do with our position. The Soviet Union has never sought, nor does it now seek any confrontation with the People's Republic of China. We would like to build our ties with that country on a good-neighbourly basis. Our proposals for normalising relations with China remain open, and our feeling of friendship and respect for the Chinese people have not changed."

On disarmament, he said: "Should the United States and other NATO countries display readiness to return to the situation that existed before the commencement of the deployment of the American medium-range missiles in Europe, the Soviet Union will also be prepared for this."

Mr Smirnov assured: "We declare that the USSR will never and under no circumstances use nuclear weapons against countries that do not have their own or foreign nuclear weapons on their territory, that we are ready to conclude relevant agreements on guarantees with non-nuclear states."

PPI adds: Mr Smirnov also mentioned the possibility of constituting an international body which could construct railway tracks and roads linking the Soviet Union, Afghanistan, Pakistan, Iran and India. He maintained that such project would yield great economic benefits to the peoples of these countries.

CSO: 4600/369

COMMENTARY ON SOVIET AMBASSADOR'S REMARKS

GF130812 Lahore NAWA-E WAQT in Urdu 3 Feb 84 p 3

[Editorial: "A Question to the Soviet Ambassador"]

[Text] The Soviet ambassador in Pakistan, Mr Vitaliy S. Smirnov, has attempted to put total responsibility for the Afghan situation on Pakistan. This is not unexpected as the Soviets have been busy on this front for quite some time.

The Soviet Union thinks that if Pakistan recognizes the Karmal regime it will be to its immense advantage and with Soviet assistance, Pakistan will become the world's most opulent nation. The system of giving bouquets and brickbats or curses and favors is an old ruse of the aggressors. The question is: Can the government which has been labeled "revolutionary" and which the Soviet Union is insisting that Pakistan should recognize, even subsist for more than one day without the presence of Soviet troops and their full-fledged support.

The whole world knows that the intervention in Afghanistan is limited to the Soviet Union only and this has been repeatedly confirmed by the United Nations General Assembly, the ICO, and the nonaligned movement. Are all the countries in these organizations fighting against something that is not a fact? Pakistan desires friendly relations with the Soviet Union and appreciates its economic help, but what is the reason that the Soviet Union is insisting that Pakistan should recognize what is its unilateral right (and extends only to its sphere of influence) and the whole world denounces? The Soviet envoy should first answer this question and then he will not need the policy of bouquets or brickbats.

CSO: 4656/95

IRANIAN AMBASSADOR TALKS ABOUT BILATERAL RELATIONS

GF120720 Karachi DAWN in English 3 Feb 84 p 18

[Text] Islamabad, 2 Feb--Iran's charge d'affaires in Islamabad, Mr Ebrahim Rahimpur, said here on Thursday that with the completion of Iranian railway's track between Zahedan and Kerman, after one year, the Pakistan railway will be linked with Europe.

Addressing a press conference on the fifth anniversary celebrations of the Iranian revolution which continue for ten days starting on 1 February--the day of Imam Khomeyni's return--he said Pakistan-Iran relations were getting stronger every day.

Pakistan's interior minister, Mr Mahmoud A. Haroon, was due to visit Tehran soon after the Iranian Majlis elections two months from now. An Iranian minister was also due to pay a visit to Islamabad next month. (He did not know the name).

He said, Iran had excellent trade relations with Pakistan. (Its imports from Pakistan during the last eight months were worth over 600 million dollars.) Iran was now building a godown spreading over one lakh cubic metres to store imports from Pakistan at Zahedan.

He said, the recent exhibition of Iranian goods in Karachi was a great success. Iran now planned to participate in the international industrial exhibition due to be held at Karachi in September.

Giving a brief account of Iranian revolution and the sacrifices offered by the people in this regard, Mr Rahimpur said, Iran wished to have cordial relations with all its neighbours including the Soviet Union, provided it withdrew its pressure on Iran which started after Iranian Government's action against Tudeh, withdrew its forces from Afghanistan, and stopped helping Iraq.

CSO: 4600/369

COMMENTARY ON INDIAN DIPLOMAT'S KIDNAPPING, ASSASSINATION

GF201130 Karachi NAWA-E WAQT in Urdu 8 Feb 84 p 3

[Editorial: "The Indian Diplomat's Kidnapping, Assassination"]

[Excerpts] The kidnapping of an Indian diplomat in Great Britain, (an assistant in the Indian mission at Birmingham) Mr Ravinder Hareshwar Mhatre, and his murder 2 days later is an unfortunate tragedy and a serious matter. Only a few extremists were directly involved in the incident but it will have far-reaching repercussions. Its effects and results can also be very extensive and the Indian rulers can capitalize on this tragedy to accelerate and intensify their vendetta against Pakistan.

Responsibility for the abduction was claimed by a freedomfighters group called the "Kashmir Liberation Front."

There is a large number of persons of Kashmiri descent in Great Britain and some of those belong to occupied Kashmir and who, along with their family members, harbor violent resentment against India's forcible usurpation. Their largest group is the Kashmir Liberation Front to which the recently executed prisoner Maqbool Butt belonged.

All efforts to terminate India's tyrannical occupation of Kashmir through the good offices of the United Nations and other peaceful means have been foiled and were bound to produce a negative reaction and which cannot always be repressed. India is a large country and its continued occupation prolongs tyranny and oppression.

It is needless to explain what kind of violence and anger the Indian rulers can unleash on the pretext of this incident. The Kashmiri freedomfighters are also stifled by the fact that India continues to suppress their liberation movement and resorts to ruthlessness and tyranny, forcing them to resort to such extreme acts as the abduction of the Indian diplomat in Great Britain to draw attention to their demands.

Although this incident violates all international laws and norms of decency and due sympathy is to be expressed to the bereaved's family on humanitarian grounds, the responsibility for it falls on the Indian leaders who have adopted a policy of making the Kashmiris the victims of their tyranny and oppression, forcing the Kashmiri freedomfighters to an extremist kind of act in order to awaken the world's conscience.

GULF WAR: ESCALATION, FUTILITY CONDEMNED

GF191412 Karachi DAWN in English 14 Feb 84 p 7

[Editorial: "The Futile Gulf War"]

[Text] After a prolonged lull the Gulf war has once again flared up with Iraq and Iran engaging themselves in an exchange of a very deadly nature--the shelling of each other's cities. However, if the previous engagements are anything to go by, it seems more than likely that the present phase of hostilities will end in another stalemate as neither side has the capacity to win a decisive victory. But despite the futility, neither Iran nor Iraq appears to be willing to compromise and the entire conflict has been reduced to a periodic exercise in bloodletting and wanton destruction. Although the fear that a prolongation of hostilities would engulf the entire region has thus far proved to be ill-founded, the conflict, nevertheless, continues to jeopardise the security of the region and adds to the problems confronting the Arab and Muslim world. Besides, given the volatile pattern of the Middle East politics and the strategic and economic importance of the region, there will always be the danger of even a small spark touching off a wider conflict. For the protagonists the war has not only proved costly in terms of human lives--Iraq's death toll is estimated at around 50,000 while Iran's official figures stand at 60,000 dead--but has done tremendous damage to the economic life and prospects of the two countries. More significant is the fact that the prolongation of hostilities has relegated Iran's efforts to consolidate its revolution virtually to a secondary position in relation to its war efforts. The shelling of cities is a very tragic development in that it will lead to large-scale killing and maiming of the non-combatants and untargeted destruction without bringing significant military gains to either side.

Whatever the complaints of the two sides against each other, the war has already done enormous damage to the immediate and long-term interests of the Muslim world. Not only has it divided the Arabs into two camps, but it has greatly facilitated Israel's expansionist policy in Lebanon. This, in turn, has helped the United States gain a stronger foothold in the Middle East, the implications of which cannot bode well for regional politics, since that kind of decisive involvement and influence is likely to elicit an equally undesirable response from the other superpower. The inability, or the lack of desire, on the part of Iran and the United States, to overcome their differences adds to uncertainty in the region and lends urgency to the need for finding a political solution to the Gulf crisis. In the interest of peace, as well as that of the entire Muslim world, Iran and Iraq should take a fresh look at the situation. For if the war is allowed to continue even in the present sporadic and desultory fashion, it could eventually damage badly the interests not only of Iran and Iraq but of the neighbouring states as well.

JI LEADER GHAFUOR AHMAD INTERVIEWED

East Burnham ARABIA The Islamic World Review in English Feb 84 pp 27, 28

[Article: "A Truly National View"]

[Text]

Professor Abdul Ghafur Ahmad is perhaps Pakistan's only national politician. All the other leading political figures have popular support in individual provinces: Benazir Bhutto in Sind, Wali Khan in the NWFP, Asghar Khan in the Punjab. Professor Ghafur became Secretary-General of the Pakistan National Alliance in early 1977 after Rafiq Bajwa of the Muslim League had developed contacts with Bhutto. Professor Ghafur played a key role in organising popular resistance during 1977 and has remained a fearless and consistent critic of the martial law administration. Today he is a leading advocate of unity among Pakistan's main political parties for the restoration of democracy. *Arabia* spoke to him in Karachi.

What is the likelihood of elections being held in 1984 or 1985?

It would be difficult to declare another postponement. Such a declaration would cost the régime a lot of political credibility. I think some sort of elections will be held by March 1985.

It appears that some important political parties will be excluded from the elected legislature. Is this wise?

The government has said that elections will be held by March 1985, but it has introduced an element of ambiguity in national political life. The authorities have deliberately raised many new questions which they persistently refuse to answer despite repeated requests by the politicians. Thus the government has, since August 1983, refused to say whether elections will be held on a party or on a non-party basis, and whether the régime will prescribe some new qualifications for the voters and the candidates. The régime is making self-contradictory statements,

deliberately, in order to create confusion. Islam is being made a subject of political controversy. Zia says that parties are now allowed in Islam. Recently it was said that candidature is also disallowed by Islam and that democracy is not in conformity with Islam. Every new statement adds to the confusion.

A study of these statements will show that elections will probably be held neither on a party nor on a non-party basis. They may be held on the basis of some new pattern - something like Indonesia. This will allow the régime to exclude not a few but all political groups. The régime will give its political patronage to persons claiming to represent different professional classes and groups - doctors, engineers, businessmen, etc. These people will be called *mutaqi* and "the people's real representatives" by the régime. If this happens, it will be catastrophic for Pakistan. Only the political parties can meet the challenge now faced by Pakistan. Strong political parties are as necessary to safeguard the national integrity of the country as the armed forces are necessary to defend its frontiers.

What are the prospects for evolving a common front among the major political groups in Pakistan? What are the likely features of a minimum common programme for such a grouping?

Political parties with important differences have united on a number of occasions, when this was necessary to save Pakistan. The present crisis is far graver than any political crisis that Pakistan has ever faced before. To my knowledge almost all political leaders consider it necessary to shelve their differences and unite on a single front programme - return

of democracy on the basis of the 1973 Islamic constitution.

What are the real factors behind the disturbances in Sind and has the government fully re-established its control?

Sind alone responded to the MRD's call for a national movement in August 1983. The economic conditions in Sind have been deteriorating. Large landlords have held back the peasantry. Muslims have not participated in the programmes of educational development. There has been hardly any migration from rural Sind to the Gulf. This has increased its relative economic backwardness compared to the Punjab. Participation by the Sindhis in Pakistan's armed forces was virtually nil at the time of independence. It remains very low today mainly because many of the standards for army recruitment set by the British are as yet unaltered.

The Sindhis are a very hospitable and generous people. They welcomed Muslim immigrants from India at the time of independence with open arms. Most immigrants preferred to settle in Sind even if they had come to Pakistan via other places. The economic conditions of these immigrants has improved, whereas the Sindhis have been left behind. The "mohajirs" dominate industry. Karachi is Pakistan's largest industrial centre - but Sindhis own virtually nothing of Karachi's industrial assets.

This has led to resentment and a sense of deprivation has developed. During the five years rule of the People's Party, economic conditions in Sind did not improve, but the Sindhis experienced a sense of political participation. The Prime Minister of Pakistan and the Chief Minister of Sind were both Sindhis during this period. But after the military seized power, the administration of Sind passed into non-Sindhi hands. The Chief Martial Law Administrator is not a Sindhi. The District Martial Law Administrators and the Sub Martial Law Administrators who rule Sind - not one of them is a Sindhi. This has created a golden opportunity for those who want to separate Sind from Pakistan. They dominated the popular movement in August and September. The movement has slipped out of the control of the MRD.

The popular movement has been subsidised. But if the government thinks it has satisfied the people it is fooling itself. Sindhis must be given preferential treatment in the country's economic life. They must be allowed to participate fully in politics and administration. This requires an end to martial law and

the establishment of representative government.

How do you assess the Islamisation initiatives of the government?

Zia is a good Muslim and a courteous man. He is a patient listener. Some progress has been made, but generally speaking people have been disappointed. There are, I think, three major defects in the régime's Islamisation policies.

Firstly, the martial law administration has been totally exempted from the Islamisation process. Thus if the lowest martial law court gives an order, it cannot be challenged by the highest sharia court in the country. In Pakistan martial law is the supreme law not the law of the sharia.

Secondly, the administrative machinery has not been changed at all. A corrupt and secular administration cannot be expected to execute Islamic policies. Many of the senior-most civil servants oppose Islamisation and fight against it.

Thirdly, the Islamisation measures are partial and half-hearted and are a patchwork of convenient - and from the régime's view-point - harmless reforms. Thus interest-free operations are combined with interest-based operations while the country's financial system remains unchanged.

The régime's "Islamisation" has disgraced Islam. "Islamisation" is a holy excuse for the continuation of martial law. "Islamisation" is a cosmetic cover for martial law in Pakistan.

What is your assessment of the economic policy of this government?

Allah has been kind to Pakistan. There have been no floods or droughts in recent years, and the economic condition of the common man is better than in India or Bangladesh. But economic conditions have been deteriorating. The government has on a number of occasions arbitrarily raised the prices of essential goods. Corruption is rampant and unchecked. The martial law authorities rule the country by relying on the corrupt bureaucratic administrative machinery. The martial law authorities sometimes appear powerless to check bureaucratic corruption.

There is a rising burden of domestic and foreign debt. Remittances from overseas Pakistanis are mis-used. The continued political instability has led to a virtual drying up of new long-term investment. Businessmen are switching from industry to trade. In brief, the economy is in bad shape right now.

And the foreign policy of this régime?

The United States takes Pakistan for granted now. In the wake of American

belligerence in Lebanon and the American decision to turn Israel into an arsenal, there is a pressing need for a major reappraisal of Pakistan's relations with the United States. Our foreign policy must also seek the development of a better understanding with the Soviet Union. But this depends upon an unconditional Soviet withdrawal from Afghanistan. The USSR must be persuaded to accept this.

Arabia has argued that there is a need for non-governmental political cooperation on a sub-continental basis to counter the influence of the superpowers in South Asia. What is your view?

This is a very good idea. After nearly 40 years of antagonism, the people of the sub-continent genuinely want cooperation. The governments are the biggest obstacle preventing the developing of such cooperation. The governments want to divert the peoples' attention from the real issues. They go to war for the sake of staying in power. The people of India, Pakistan and Bangladesh are sick and tired of these warmongers. Many professional conferences have been held on a sub-continental basis. I support the idea of holding a joint political convention. I think the Indian political parties should take an initiative on this issue.

CSO: 4600/364

AZAD KASHMIR PRESIDENT TALKS ABOUT DEVELOPMENT

Islamabad THE MUSLIM in English 5 Feb 84 p 6

[Text] MUZAFFARABAD, Feb. 4: Within the next two years, the entire Azad Jammu and Kashmir will be electrified, so that the basis for industrial expansion is widened.

This was stated by the Azad Kashmir President Maj. Gen. (Retd) Abdur Rahman Khan while addressing a public meeting under auspices of the Dudyal Town Committee during his tour of the Dudyal sub-division.

The AJK President said upgradation of town committee to municipal committee was under the consideration of the government. Dudyal sub-division, he said, will be put on national direct dialling system from next month.

Adviser on Health Ch. Mohammad Yousaf said on the occasion that as soon as the report of the committee set up to consider measures for establishment of a tehsil headquarters hospital at Dudyal was received suitable measures would be taken. This hospital will consist of 50 beds with other facilities, he added.

FUNCTION: Addressing a special Hijra contenary function held at the Dudyal Degree College the President said that Islam provided both code of life and dynamism for it. It was the bounden duty of all citizens to mould their lives according to the teachings of Islam. He said the Holy Prophet (May Allah's All Peace be Upon Him) was the greatest benefactor of mankind.

He stressed holding of Hijra contenary functions in educational institutions to acquaint the youth with the lasting teachings of the Holy Prophet.

DEVELOPMENT: Advisor on Development Sardar Mohammad Habib Khan has expressed confidence that Rs. 4113 million development targets formulated by the present AJK Government would be achieved well in advance of the deadline during current 6th five year development plan.

He was giving an overall assessment of the government on the plan projects in the special function held by the Pakistan National Centre at Muzaffarabad.

Giving past resume of development efforts in AJK he said keeping in view the geographical constraints first priority has always been given to the communications sector. The thrust continues with top speed during the running projects period.

He said during past five year development period the ratio of cumulative expenditure ran to 104 per cent saying Azad Jammu and Kashmir fared well as compared to other regions of the country.

He also touched proposed target-line under agriculture, industry, education and other sub-sectors.

CSO: 4600/380

RAMAY URGES PUNJAB TO PLAY ITS 'DUE ROLE'

Islamabad THE MUSLIM in English 6 Feb 84 p 6

[Text]

SAHIWAL, Feb. 5: Mr. Mohammad Hanif Ramay, Chief of the Defunct Pakistan Musawwat Party (PMP) said here today that at the juncture of political stalemate in the federation of Pakistan, Punjab has to play a vital role as a big brother because the federation, if given a mild shock, might disintegrate.

He was talking to The Muslim at a reception at the residence of Sardar Abdul Aleem, a former Federal Minister in the late Prime Minister Bhutto's Cabinet.

The PMP Chief said that the 32 lakh Afghan refugees being settled in Pakistan, particularly in the Punjab area, posed a big danger. If they are not checked in the present stage of their settlement in the Punjab, he said, they might come into conflict with the locals, leading to chaos, loot and arson.

Mr. Ramay said if a dialogue was not opened with the authentic leadership of the smaller provinces there would be a great danger for the federation which was already experiencing political tremors. He accused the bureaucracy of creating

an atmosphere of hatred between the people of Punjab and the smaller provinces of Baluchistan, Sind and NWFP.

If the people of the oppressed states (Provinces) are not given proper representation then they would be driven to demand a confederation to which "I am conscious no patriot would agree" because this would lead to the disintegration of the federation of Pakistan, he added.

The PMP Chief said the army should go back to the barracks and pave the way for democracy, restoration of human rights and holding of general polls under the Constitution unanimously agreed to be all parties of the federation.

Earlier, the PMP Chief addressed the District Bar Association (DBA) Sahiwal and urged the Government to release all detained lawyers and withdraw the cases instituted against them. He criticised the Government for imposing censorship on various sources of news media and demanded the release of all detained journalists, students, lawyers and political workers.

CSO: 4600/380

NDP LEADER URGES EFFECTIVE PROVINCIAL AUTONOMY

Islamabad THE MUSLIM in English 11 Feb 84 p 8

[Article by Ashraf Hashmi]

[Text]

ISLAMABAD, Feb. 10: Ghulam Ahmad Bilor, Secretary General of the Defunct National Democratic Party, has strongly pleaded for the immediate end to Martial Law, induction of revolutionary changes in the economic system, full and effective provincial autonomy and adoption of a truly independent foreign policy.

Talking to 'The Muslim' here the NDP leader said these were some of the crucial issues confronting the country and any delay in the solution of these problems under any pretext, he said, would be disastrous for the integrity and solidarity of the country.

The NDP leader admitted that the first phase of the MRD movement had not been able to achieve its objectives but it was wrong to say that the movement had failed. He said the MRD was able to bring people on the streets for the first time during the last six years to effectively demonstrate their will for the restoration of a representative civilian rule in the country. It was a big achievement in itself, he added.

He admitted that in the initial stages of the protest his party on the insistence of his leader Khan Abdul Ghafar Khan was reluctant to join the movement. It was, he said, mainly because of the absence of Wali Khan and Begum Wali Khan from the country. The crisis, he said, was soon resolved with the timely arrival of Begum Wali Khan from London and his party was fully back into MRD's fold and actively took part in the

movement. As to the passive role played by NWFP during the movement, he said, the people of his province and of Baluchistan were convinced that until Punjab comes forward to lead the movement it would not succeed. "What happened in 1961 when we launched a movement against One Unit and what was the net outcome of the movement of Baluch when in 1972 they rose to fight against the then government for the restoration of provincial autonomy. He said the people of these two smaller provinces were not able to achieve their objective as Punjab did not support them. It was, he said, for this reason that the people of his province waited for the reaction in Punjab which he said was not encouraging enough to motivate the people of the two provinces.

Talking about the proposed second phase of the movement, he said, it was to be planned in the light of the experience of the first phase and in accordance to the "prevailing situation" at that time. Explaining further, he said, his party still stood for the establishment of a true federation in the country. However the slogan of confederation, he warned, was attracting the attention of the young generation of the smaller provinces. In a situation like this when the same old leadership of the federation was behind the bar the idea of confederation was flourishing unchecked. If the old leadership, he warned, was not set free - and allowed the time may arrive soon when it would be impossible to control the sentiments of the young people who, he said, were totally frustrated today.

Every one, he said, could feel the change in the atmosphere.

The parties which he said had hitherto accused us for demanding a real Federation were now advocating for a loose confederation. The prevailing situation, he said, was leading the nation to a disastrous end and when "I say that the second phase of the movement would be decided in accordance to the objectives conditions, I speak in that context," he remarked.

The most dangerous point in the present situation, he said, was that the country's politics from the national level had been reduced to the provincial level. The parochial feeling were now more dominant and it was, he said, a natural offshoot of continuation of the martial law in the country.

Replying to a question, he said, his party was opposed to the idea that the martial law government should accord a larger quantum of provincial autonomy and amend the constitution accordingly. This he said was an unprincipled approach to the problem because when we maintained that this government had no right to amend the constitution it would be wrong to ask them for amendments of our own liking. The constitution, he said, should only be amended by an elected parliament and the issue of the quantum of provincial autonomy should be settled by the elected representative of the people. He said he was aware that Punjab was averse to the idea of greater provincial autonomy but in an elected setup it would be difficult for Punjab to ignore the joint demand of the three smaller provinces.

Speaking about the exit of Benazir Bhutto from the national politics, he said, her services for the cause of democracy were undoubtedly very great. She had suffered a continuous torture for being in jail and under detention

for four years. He said it was probably the behaviour of the Punjab PPP which ultimately frustrated her and she left the country.

He said he did not think that her departure from the country was a part of any understanding between the PPP and the government.

Firmly maintaining that his party was a component of the MRD, he said, NDP was bound by the decisions of the MRD and there should be no ambiguity about it.

Claiming that the influx of the Afghan refugees has created acute social problems in the NWFP, he said, the tension between the locals and the refugees was mounting up and there were dangers of major clashes between them. The Afghan refugees, he said were fully armed with modern and sophisticated weapons and were better placed economically because of their resources and concessions allowed to them by the government.

The ill conceived policies of the government, he said, have brought the Soviet troops from Tashkent to Torkham borders. This he said, would not have happened had there been a political government in Pakistan. The only way to solve the problem, he maintained, was direct contact with the Karmel regime in Kabul. The government he suggested should open a dialogue with Karmel government.

Commenting on President Zia's plan of Aug. 12, he said six months have passed by but the fundamental issues left open in the announcement still await a proper answer. This itself, he said shows the seriousness of the President's promise of holding elections by March 1985.

CSO: 4600/380

MRD: MOVEMENT'S CAPACITY TO EFFECT CHANGE DISCUSSED

Lahore VIEWPOINT in English 2 Feb 84 pp 29-30

[Article by Makhdoom Ali Khan: "The Imperatives of Change"]

[Text] WITH 1983 the movement for restoration of democracy, which started after an agonisingly long interlude of political apathy, has drawn to a close. Sind, the only province in which it took a sharp enough turn to cause alarm in the ranks of the ruling junta, struggled long and hard. But isolated from the rest of the country, it eventually succumbed to organized force. The Central Action Committee of the MRD claims that it is preparing for another round of struggle. Whether the present silence is final or merely a prelude to a more violent storm time alone will tell. However, for the present the CMLA once again feels secure enough to re-elevate the August 12 formula to the pedestal of a self-evident, primary truth and to firmly shut the door of dialogue so alluringly opened in difficult days.

The front-ranking leadership of MRD concedes that the "first phase of the movement is over", but while the protest may have ended discussion on its achievements and failures has not. One issue which is often the focus of such discussions is why Karachi the largest city of the province remained dormant while the normally docile rural population agitated. Urban centres, and Karachi undoubtedly is one, are notorious for their volatile politics. Ostensibly it has all the elements: a large student population, a massive body of industrial workers and trade unions, discontented intellectuals and a sizable middle class which in any society, due to the

shadow that falls between its hopes and their realization, is the engineer of social upheavals. Why did this potential hotbed of dissent fail to respond to the conditions which fired the protest in Sind?

The business.

Finances these days are one of the primary concerns and often the determining factor for the success or failure of a political movement. The industrialist and trader of Karachi, whose ego took a battering during the heady days of the PPP and who willingly opened his coffers for the PNA, was not prepared to invest in the MRD for he does not suffer from that sense of injury which is so marked in the feudal circles of Sind. The present regime has so far maintained a conciliatory stance towards him and has turned a blind eye towards many of his excesses. There is no reason why he should risk change. Besides he believes, and not without reason, that if the MRD succeeds he may be made to pay for his contribution towards the PNA movement of 1977.

Inside the MRD, PPP after all is the major party and this fear is not confined to one particular section of the population. It is felt by the majority and the majority in Karachi means the Muhajirs who have always distrusted this party. In 1970 when the PPP won by a landslide the electoral results in Karachi were in marked contrast to the general pattern. Throughout the

PPP rule the Muhajirs suffered not so much injustice as from a sense of injustice. Impatience and intolerance on both sides caused the Urdu-Sindhi riots. In 1977 the Muhajirs were out to even the score and played an important role in the PNA election campaign as well as the subsequent protest movement which led to the fall of the PPP from power. They cannot, therefore, overrule the possibility of a victorious PPP wreaking vengeance upon them. Immature threats by PPP leaders to settle accounts has not allowed this fear to subside.

Having lived and suffered in Muslim minority areas of pre-partition India and through their struggle for Pakistan, the Muhajirs have developed a strong attachment to the two major slogans which went into its formation: Urdu and Islam. Many still believe that but for their sagacity and sacrifice the vision of a Muslim homeland may never have become a reality. The belief, historically not without basis, has generated the conviction that responsibility for the integrity of Pakistan, promotion of Urdu and Islamic Government falls squarely on their shoulders. This makes them vulnerable to exploitation by any regime or party which plays upon this theme.

Main parties

It is for this reason that the two political parties which enjoy the greatest influence in the city are the Jamaat-i-Islami and Jamiat-i-Ulema-i-Pakistan, either of which has the power to transform arm-chair dissent into street action within the city. But while JI remained openly and publicly against the movement and for the regime, the JUP kept both options alive. Maulana Noorani's performance could best be depicted by that old English aphorism, run with the hare and hunt with the hound. He made a few noises in favour of the MRD but failed to join it, he declined to give any call for civil disobedience but toured the province to express his sympathy, and while he formed fronts for uniting the new and old people of Sind, he eschewed any action which could have mobilised the former at a time when the latter were being isolated and crushed.

Worst of all, he agreed to negotiate with the regime when it appeared that it might capitulate into talks with the MRD. This provided the regime with the break they wanted. Their claim that they enjoyed credibility in political circles was confirmed, the possibility of any negotiations between the regime and the MRD wiped out, and the prospects of any concession being extricated from the CMLA when he was at his most vulnerable extinguished. The policies of these parties went a long way to ensure the neutrality of the city.

Familiar with the reaction of these people to the Awami League in 1971 the present regime, which had already struck a harmonious note with its policies of Islamisation, launched a vigorous propaganda campaign stigmatising the movement as secessionist. MRD's failure to spark a conflagration in the other provinces created room for belief in this propaganda. The rest was done by Mrs. Gandhi's statement. It couldn't have come at a more favourable time if the CMLA had personally requested it. For the Karachiites this was the final confirmation that the movement was an unholy conspiracy of subversive elements. Even to the sceptics it was tantamount to a resurgence of the PPP and that was reason enough to stay away.

Students normally represent a more radical strand in society. But even student action, if not directed, fritters away. An important channel for such action is the student union. In Karachi the University, a stronghold of the Jamiat-i-Talaba, had no sympathy for MRD. Besides, happenings on the campus, situated as it is miles outside the city, have little impact on the daily routine of city life. The professional colleges have never been noted for their agitational politics. Only a protest arising from the large number of colleges situated at key points in the city has the potential to paralyse daily life and the capacity of multiplying into a mass movement. Organised action from this forum was circumvented by the absence of unions. The regime, warned by the results in 1977 when most of these colleges voted progressive, decided to play safe: since then elections have not been held in these colleges. The militant voice in the student body has been stifled.

Worst disarray

As for the trade unions, they are perhaps in the worst phase of their disarray. Intellectual and organizational crisis is at its apex. A constant policy of pressure from the Government has heightened this crisis and spread disunity and panic amongst the workers. The application of MLO 52 to PIA and the summary powers of dismissal which it vests in the management was enough to frighten many. This intimidation was, however, made more real by the dismissal of thousands of workers in a matter of weeks. In some of the other heavy industrial complexes the entire work force was dismissed at a stroke. The Essential Services Act has been made applicable to many of the nationalised industries with massive bodies of workers and the Supreme Court has recently ruled that workers of such concerns if dismissed do not have a right to petition the industrial courts for reinstatement. At a time when unemployment runs high and inflation is on the boom, a worker who opts for political action may end up losing his livelihood. Not an easy choice. The strength of the textile worker, considered the most volatile, has been sapped by slump in the industry and mass entrenchments.

Lawyers

Lawyers, though a small group within the community, command considerable influence. Pressure created by the concerted action of the Bar Association is far greater in proportion to the size of its membership. But the resistance offered by this group, too, was more symbolic than real. While the Karachi Bar Association did initiate a few half-measures, the High Court Bar Association maintained a dubious silence. A languid leadership, regional and linguistic polarities, and the lure of Government retainers were the main impediments to concerted action.

The most important reason, for Karachi's apathy, however, lay with the MRD. If any change did not result from the "First Phase" of the movement, it can be ascribed to the fact that the MRD did not desire any such change. Mr. Jatoi maintained to the last that "under all circumstances

peace and tranquillity should prevail." This desire for status quo prevented street action which could have forced a change. Mutual mistrust between the component parties led to their adopting inconsistent positions on a given issue and was the cause of much confusion amongst their supporters. Divisions on the question of participation in the local bodies elections ensured that the boycott remained more or less confined to rural Sind. The last minute defection of Ghulam Ahmad Bilore (NDP) from the MRD, in spite of later efforts to paper over the cracks, took its toll on the already ebbing morale.

When the movement was launched many of its leaders through long incarceration and political inactivity had remained isolated from the public for a long time and were hopelessly out of touch with reality. Instead of breaking out of this shell by directing their energies towards mobilising the masses the leadership remained cocooned and sought to galvanise support by Press statements.

The MRD leadership, and in particular that of its major component the PPP, had a sufficiently long time from 1977 onwards to make inroads into the popularity enjoyed by the JI and JUP in Karachi, by allaying fears and building the confidence of the people in its ability to provide a national rather than a factional leadership. The sympathy generated particularly in the aftermath of Mr. Bhutto's execution could have been exploited into permanent political support. This chance like many others was, however, allowed to slip away. The inability to build bridges and the long sequence of missed opportunities allowed political allegiances in the city to continue undisturbed.

The crisis of leadership was always there but it came to the fore during the movement. The policy whereby virtually all the top leadership courted arrest within a few days in August, leaving no one in the field to provide either direction or impetus to the movement, backfired. This nonchalant politics could hardly have attracted public sympathy or flared popular fashion. What happened in rural Sind was not due to but in spite of the lack-lustre leadership. If any serious effort had been made towards mass mobilization through mass meetings

and demonstrations, the movement would at least not have ended as a non-starter in Karachi.

In the final analysis, one positive achievement of the movement is the emergence of a consensus amongst all the political parties on at least two issues: that the ban on political activity be lifted and general elections on party basis held. Whether the MRD can build up this consensus into a powerful force to affect change during its "next round" will depend upon its ability to learn from its mistakes and act as an effective organization. Popular support is not manna from heaven to be bestowed on unwilling groups. It has to be generated, organized and mobilised. Restoration of democracy cannot be achieved by pious hopes. For that dedicated leadership, effective organization, cohesive action and mass mobilisation are imperative. Without these any effort by the MRD to bring about a change will remain be a dream.

CSO: 4600/373

OFFICIAL CIRCLES DIVIDED OVER PROPOSED ADMINISTRATIVE REFORMS

Islamabad THE MUSLIM in English 7 Feb 84 pp 1, 8

[Article by Sikander Hayat]

[Text]

ISLAMABAD, Feb. 6: The report on administrative reforms being placed before the Federal Cabinet on Wednesday has been branded by a large section of officers in the Secretariat as "motivated, and ill-conceived". They say that its recommendations tend to revive the bureaucratic structure of the colonial days when the maintenance of law and order was the only responsibility of the government.

In its forthcoming meeting the Cabinet is expected to consider an over-100-page report prepared by the Establishment Division. The report was prepared some two years back but for various reasons the Cabinet could not take it up earlier.

Initially, the Establishment Division was given the mandate to suggest the implementation of Anwarul Haq Commission's recommendation but in doing so the Division has put forward its own proposals which are said to be at variance with some of the Commission's findings.

The Division is generally of the view that all previous service reorganisation commissions, including that of Anwarul Haq and particular-

ly the one headed by former Establishment Secretary Vaqar Ahmad were swayed by "group interests", and therefore failed to deliver the goods. The areas in which the Division has made specific recommendations are provincial administration, secretariat staffing, dispersal of Section Officers and the quota system.

The Division has moved that the district administrations should be strengthened with the help of more funds and physical facilities, because in the past this area has been ignored. Among the measures the Division has suggested that this weakness be overcome by breaking up the existing districts into more districts, particularly in metropolitan cities, and that the deputy Commissioners should be given more powers and better status.

The critics of this proposal say that it is not necessary that the expanded administration should be more efficient and quote Islamabad as a case in point. This suggestion, they think, is designed to create more jobs for the erstwhile CSP class at the district level at the cost of provincial functionaries.

Additionally, it is proposed that the deputy commissioners should guide and head the local bodies councils so that the grass-root leadership remains dependent

upon them.

On secretariat staff working, the Division is said to have highlighted the weaknesses which have crept into the secretariat management specially due to the induction of lateral entry officers. Dismal is the word used for the performance of deputy secretaries because they are said to have no field experience. The Division has therefore suggested that all deputy secretaries would need to pass a Federal Public Service Commission examination for promotion to joint secretary posts. No such examination has been proposed for others who move into equivalent status jobs.

The Division has proposed that there should be no direct recruitment of the section officers and instead assistants should be promoted. At present the assistants enjoy very low esteem in the secretariat and they are not expected to initiate files. With this experience, the critics say, the assistants cannot do policy planning which is the main duty of the section officers.

The provinces which are away from Islamabad and whose staff are not tempted to come here as assistants would be deprived of their representation at the policy planning stage, they further argue.

The critics of the Establishment Division recommendations express the fear that instead of consolidating the administrative machinery these proposals will impose the old CSP class in the Main Secretariat. This they assert, may not be in the national interest. And if the Government really feels that the reforms are due, then there should be a public debate on the issue.

PAKISTAN'S 'AFGHAN PREDICAMENT' ANALYZED

Islamabad THE MUSLIM in English 5, 6, 8 and 10 Feb 84

[Four-part series of articles by Sajjad Hyder: "Pakistan's Afghan Predicament"]

[5 Feb 84 p 4]

[Text] Four years have now gone by since the Soviet invasion of Afghanistan. It is time that we in Pakistan faced this issue squarely and dispassionately, without rhetoric or emotion, and analysed three interrelated questions which are fundamental to our survival as a nation state.

i) Why did the USSR invade Afghanistan, what really is happening there now and what are the chances for the Soviets to leave?

ii) What in broad qualitative terms are the financial, economic, social, political and international security costs to Pakistan of this Afghan diaspora to Pakistan?

iii) What should be our response both internally and in the context of our external posture?

In this first essay I shall try to tackle some of these issues.

There are a number of explanations offered as to why the USSR invaded Afghanistan. Some postulate defensive motives, others expansionist aims, and their relevance lies in extrapolating the future course of events. Very often we tend to ignore the most obvious explanation because it appears too simple. I believe that the basic Soviet aim was to prop up and to save the new marxist-socialist regime from being toppled and being replaced for the first time in Afghanistan's history by an anti-Soviet regime. No doubt the opportunity offered other advantages, a potential flanking move into Iran had the US used the hostage crisis to intervene physically, closer access to the Indian Ocean and more important to the Gulf oil fields and oil lane choke points.

Misfortune

It has been Pakistan's misfortune that our foreign policy planners could not conceive, in the post Daoud era, that if the Taraki/Amin regime was destabilized

the USSR would physically intervene and become our neighbour. Had our assessment been otherwise, as I urged from my perspective from Moscow, the outcome might have been different and certainly less disfavoured for Pakistan. We lost then an opportunity to achieve an Afghan recognition of our border, the Durand Line, which has constituted one of the two enduring objectives of our foreign policy since 1947 along with the principal task of coping with the ever present threat from India.

While the present government came to power criticizing as unrealistic and counterproductive the high profile foreign policy of the last regime, our response to the invasion was to play the role of drum beaters for the rights of the Afghan people, of the Afghan state and to become an international Don Quixote tilting for the rights of smaller states against a super power, both in the Islamic Conference and at the UN. The more we beat the drum the more Afghan refugees poured in.

A cool dispassionate historic look at Pak-Afghan relations would show what exactly we owe the Afghans who in the last three thousand years have either freely allowed invaders to enter our land or who have joined these influxes to the extent that some Afghan tribes such as the Dalakzais and Suris have vanished from Afghanistan and settled in the subcontinent. There is no record of any Afghan going back. While many Indian Muslims fought for the Afghans against the British during the First Afghan war from 1838-42, this favour was never returned. Instead during the Great Mutiny of 1857 those of our revolutionary ancestors who fled to Afghanistan were sold back by the Afghans to the British for the price of Rs. 50 if they had a rifle or Rs. 30 without a rifle, to be blown up from British guns in regimental squares. During the Khilafat Movement over 20,000 Muslims from the subcontinent, mostly from the Punjab and Sind, went on Hijrat to Afghanistan. They were pushed out, some to the USSR where still a few small Punjabi speaking communities exist, or back, literally without the shirts on their backs.

In 1944, the Afghans in diplomatic negotiations with the British laid the foundation of their still existing claim to a large part of our beloved land. Even Nehru, the then Foreign Minister of the Interim Government of undivided India in 1946 was forced to reply that if the selective claims of history gave Afghanistan the right to demand parts of the NWFP and Baluchistan, then sub-continental rule over Afghanistan gave a more valid right for incorporation of Afghan territory upto the Hindu Kush. In 1947, Afghanistan was the only country to oppose Pakistan's admission to the UN. From 1947 onwards Afghanistan maintained its irredentist claims and followed an active policy of inciting destabilization and subversion in our border areas to divert the attention of its people from internal socio-economic and constitutional problems which it would have done better to tackle and which unchecked are directly responsible for Afghanistan's present plight.

There are those who say that Afghanistan showed its goodwill by not trying to take advantage of our vulnerability during the 1965 and 1971 wars. However, the fact is that the ratio of forces would have still forced them to pay an unacceptable price without a sure prospect of success, and, most important of all, China made it clear that it would not stand by even in 1971, when the Indo-Soviet Treaty had estopped by Chinese action against India.

It is a tragic illustration of our failure to define our foreign policy goals that till this day not one solitary Mujahideen leader in Afghanistan or in Pakistan has ever publicly stated that it was wrong of Afghanistan to have followed such an irredentist and confrontational policy towards Pakistan, that they now recognize for all time the validity of the Durand Line as our international frontier, and that they will never revert to such a policy in the future. However, whenever a foreign policy is not solely motivated by national self-interest but by polemics and short term gains, it loses its protective role and becomes prey to outside powers and pulls.

A Step Ahead

We are a poor developing country striving to raise our standard of living and to keep it just one bare step ahead of our high, three percent per annum population increase. No attempt has yet been made in Pakistan to quantify in broad terms the financial, economic ecological and social costs of this Afghan invasion into Pakistan, let alone the political fall out which is becoming increasingly evident.

If we take the Sixth Five Year Plan (1983-88) as a reference mark we can in 1983 quantify the direct fixed cost of our exchequer of maintaining these three million refugees at US \$300 million or Rs. four billion a year exclusive of declining international donations. Loss of import duty for exempting all relief vehicles and goods comes to about US \$50 million annually but will be excluded from the total head in this analysis. The refugee burdened also imposes a heavy burden on our social services and general development infrastructure. Scarce resources such as cement have to be diverted for refugee relief and rehabilitation from development projects and potential exports.

Another invisible cost is labour-displacement by refugees competing for employment at lower wages. Lost Labour opportunity costs in a variety of occupations and small trades, particularly in the field of transportation, have also to be taken into account. The refugees who work do not in any case pay any tax and, without any stakes in the country, are motivated purely by the need to make short term profits without adding to our long term commercial infrastructure.

The ecological cost from refugee deforestation and over grazing very directly adversely affects our present and future eco-system. On an average every refugee family utilize some five point three cubic meters or four tons of firewood a year. We already consume some thirteen million tons of firewood a year and the two million tons used by the refugees comes to fifteen percent extra which we cannot afford when our current reforestation programmes can only provide for twenty per cent of the actual need. This additional degradation of our forestry resources, especially in the NWFP, will lead to soil erosion, flash flooding and eventually affect our agricultural land and weather cycle which already in the last two years has shifted towards delayed rains.

Refugees

The very presence of these refugees in such numbers, even if they were strictly law abiding, has caused demographic changes with the refugees outnumbering the

local inhabitants in a number of areas. Existing social tensions have been kept in check as long as the refugees have been mainly confined to the NWFP and Baluchistan. However, their importation into the Punjab has inevitably led to a reaction which has now found expression in political dissent. Unlike Iran we have not been able to impose the law of our land on these refugees. The Iranians with their strong sense of cultural identity and pride coupled with the political strength which comes from the ballot box take no nonsense from armed able bodied refugees who, they think, should be either fighting in Afghanistan or on the Gulf war front. In bazar clashes in Iran refugee trouble makers have had to pay the price for inciting tension while in Pakistan it is the local inhabitants who have to suffer even in our federal capital in Islamabad.

[6 Feb 84 p 4]

[Text]

The revolution in Iran drove the Iranian heroin chemists into Pakistan and the Afghanistan crisis has led to a vast increase in opium production in Afghanistan and Pakistan. A combination of these two factors has turned Pakistan into the world's primary heroin production centre. While there is some anxiety occasionally about possible Soviet ripostes or subversion we fail to realize that as long as the Afghanistan crisis persists our social fabric is being eroded far more effectively by the rapid rise of heroin addiction in Pakistan itself which has reached some three hundred thousand people. It might be recalled that the supply of cheap and readily available narcotics to American troops in Vietnam proved in the end more useful to their foes than battlefield confrontation. Only a solution in Afghanistan can curtail this increasing narcotic flood across our borders.

It is clear that a foreign policy must rest on a broad national consensus and that this consensus can only come about when a widely accepted constitutional solution is evolved based on parties and election. However, one of the main reasons advanced against elections now is that if elections were held the progressive parties with their ballot power would return to power while the fundamentalist parties relying on almost one hundred thousand armed refugees would not allow such a government to remain in office. Be that as it may. It is clear that we cannot allow the refugees to have a veto power over our internal political process and certainly not to become a state within a state which is what, if unchecked, they are evolving into.

Turning back to the fiscal cost of these refugees we may calculate through shadow pricing the indirect

economic cost to be, at a very conservative estimate, equal to the direct financial cost, bringing the annual total to Rs. eight billion a year. The ecological cost in terms of firewood, deforestation, erosion, flooding, soil malnutrition and other downstream productivity losses, at a time when our own wood fuel needs will outstrip supply within ten years, can be estimated at some Rs. six and a half billion per annum. Hence during the Sixth Five Year Plan period the refugees will cost us Rs. 72 billion in gross economic terms or Rs. 40 billion in monetary terms.

If we relate this to our projected plan expenditure we can see that our annual 83-84 federal and provincial development plan intends to utilize Rs. 31.1 billion for development outlays. The direct annual fiscal costs of these refugees come to about 26 per cent of this total. The entire Five Year Plan intends to allocate Rs. 15.3 billion to agriculture, Rs. 19.8 billion to education, Rs. 13 billion to health and Rs. 2.3 billion to population welfare programmes. The total social services sector allocation over five years comes to Rs. 35 billion, and in fact will probably amount to far less in the light of existing resource constraints which have already led to a fourteen percent cut-back.

The Rs. 40 billion that we will have to spend on the refugees if they stay over five years or the Rs. 72 billion that they will actually cost us should be seen in the context of what else these resources would provide for could they be so freed. Rs. 40 billion would suffice for 85 per cent of the cost of the projected Kalabagh dam on whose energy generation our economy will depend in large part. It would be enough to pay for two one thousand Megawatt nuclear

power plants at Chashma. It could enable us to produce a completely indigenous nuclear capability along with a credible medium range delivery system which is vital in the context of our security vis a vis India.

Once or twice when there was a discussion on avenues to tackle the Afghanistan crisis, during my recent visit to the United States, it was pointed out to me that a more flexible Pakistan approach would lead to a cut off of American aid and possibly Saudi and Gulf assistance as well. While this very proposition is debatable, certainly at least in the context of Saudi Arabia and the other Gulf countries, the Rs. 8 billion or US\$600 million refugee costs per annum should also be compared to existing levels of economic assistance from these sources. The five year American economic aid package is for US \$ 1.6 billion or US\$ 320 million a year. Saudi economic assistance averages out to about US \$ 59 million a year. Aid from other Gulf countries and Islamic banks has been around the US\$ 40 million mark annually. This brings the aggregate economic assistance from the US, Saudi Arabia and the Gulf region, excluding Iran, to be

around US \$ 420 million annually in present and projected terms.

What, however, do these refugees costs mean in human terms? Remember that we are a country with one of the highest infant mortality rates in the world. Seven percent of children under five suffer from third degree malnutrition, 52 million of our population is under 15 years of age, only 26 per cent of the population is literate and within the next five years some four million souls will enter the labour market where there is already 3.1 per cent unemployment, a figure which is bound to rise as the Gulf expatriate labour boom now begins to wind down. It means that for every Afghan refugee that is allowed to stay indefinitely in Pakistan, one additional Pakistani child or adult will die from malnutrition/lack of health facilities, one additional Pakistani child will go without adequate education, and one Pakistani child will go without adequate education, and one Pakistani adult will be without a job. In my concluding essay I will try to outline an approach to deal with this predicament which constitutes a threat to our security, stability, political and socio-economic development.

[8 Feb 84 p 4]

[Text]

IN my first two essays I tried to tackle Soviet motivation in invading Afghanistan and analysed the cost benefit ratio as essentially detrimental to our economic development and security. I now turn towards an exploration on how we should meet these challenges.

2. We must begin with an objective assessment of how the Soviets are faring in Afghanistan and what pressure would be required to get them out. While a number of sources in our region and outside have portrayed the USSR as bogged down in a deepening morass it would be fatal to become a prisoner of our own propaganda despite our natural sympathy for an occupied people. The actual position has been best summed up in Drew Middleton's New York Times article of Dec. 26, 1983 entitled "4 Years of Afghan Battle: No Vietnam for Moscow?".

Quoting western analysts he observes that only 12-15,000 Soviet troops are actively fighting the resistance with five to seven hundred

employed in daily operations due to the availability of air power and the willingness of the newly reconstituted Afghan army to carry out ground operations and that Soviet losses do not exceed one thousand a year. The conclusion is that even if the Afghan resistance were better supplied they face a pessimistic future as the Soviets could contain them and unlike the US in Vietnam the Soviets are not going to get tired of Afghanistan which is too close to them and too close to the Indian Ocean.

CONTROL

What the USSR is doing in Afghanistan is exactly what the British did to control our tribal areas at minimum cost by seizing the high ground, communication centres and urban areas. We followed the same policy since 1947 withdrawing originally even from Wana and Razmak. Today certain tribal areas such as the Tirah valley still lie outside our control. We preferred a policy of creeping annexation to the cost of physical domination. The USSR a dual

track policy, aggressively developing socialist institutions and indoctrinating student, military and political cadres in the urban areas while condoning tribal customs in the rural areas the better to manipulate traditional tribal cupidity for loyalty and armed support.

In Afghanistan's ethnic plurality the Pakhtuns are the dominant factor. Soviet policy, based on their Central Asian experience is to set up 'national minority republics' to weaken the Pakhtun hold. The resistance movement is itself split between the Pakhtun elements operating in the South bordering Pakistan and other ethnic units determined to build themselves up against future Pakhtun domination.

Three effective centres of resistance exist within Afghanistan with one of them at truce with the occupying forces. The weakness of the fragmented Afghan resistance lies in two factors. The need for more sophisticated arms and the lack of a unifying ideological alternative. The best and the brightest of Afghanistan's young men who could lead an Afghan renaissance, come to Pakistan, make a round of the Mujahideen groups and leave for the West as they can see no constructive and progressive future policy on offer. The present leaders can talk, attract funds, some can fight, all are agreed to get the Soviets out but they lack the vision to inspire confidence in the viability of a potentially liberated Afghanistan.

We in Pakistan must realise that if we really want to effectively help the Mujahideen then like North Vietnam which fought for 30 years we would have to not only fulfill their arms requirements but also infiltrate a major part of our army and para military forces, at least that part ethnically indistinguishable from the Afghans, into Afghanistan over a long time span far greater than our attempt in Kashmir in operation Gibraltar, the prelude to the 65 war. We should then be prepared for massive aerial bombardments, excursions and salients into our territory, subversion and probable parallel counter-measures from India. When the Vietnam war finished in 1975 Vietnam's economic goal was to regain the developmental levels of

1969 before the major American military effort and bombing began. Short of this there is no help that we can give which can further the military confrontation and civil war beyond further sacrificing Afghan lives. Obviously no one in Pakistan would support a course of action which would so manifestly lead to our own destruction.

The problem of our present policy is that while the dangers are almost as great there is no visible recognition of this fact in terms of action on the part of our policy makers. Technical virtuosity cannot compensate for a lack of depth and support in foreign policy.

There are a number of schools of thought in Pakistan as to what our policy on Afghanistan should be based upon. The dominant theory is that the Afghans are fighting our battle, that we are next on the Soviet hit list and that we can keep the pot on the boil in so controlled a manner to preclude both Soviet and Indian active enmity while still reaping the rewards of American appreciation. Another real politik hypothesis is that the invasion has deterred secessionist provincial tendencies and that since a strong reconstituted Afghanistan, either marxist or under the Mujahideen would inevitably revert into a now more effective threat to Pakistan, our interests lie in a continuing low level of fighting which will postpone such an eventuality without incurring Soviet hostility. The common man is worried by the rise of tension and the failure of our foreign policy to ward off threats to our security now appearing for the first time on two fronts.

PAK-SOVIET TERMS

It is clear that either there can be a solution on Afghanistan on US-Soviet terms or on Pak-Soviet terms. What are American intentions? There has been a most interesting recent published exchange of views between Selig Harrison, who feels that the American Administration is trying to bleed the Soviets to the last Afghan and is therefore holding up the Geneva talks and Deputy Secretary of State Richard Murphy

who denied this allegation. Another pertinent article in the New York Times of Dec. 29, 1983 by Professor Jiri Valenta, another analyst worthy of deep respect, asserts that the US must get the USSR to the negotiating table while increasing military pressure without undermining the government in Pakistan and also exploring the possibility of sending supplies through Iran to bring about a "Finlandized" Afghanistan.

As a former US National Security Adviser said to me recently during a discussion in New York on Afghanistan, Pakistan has three options open to it. A major escalation which we would not survive, a minor escalation which we could live with and which would be necessary to pressure the USSR, and de-escalation which would lead to a cut off of US and Gulf aid. I told him that any further escalation might mean an additional two to three million refugees in Pakistan.

What then is the solution to our predicament? I would make hold to state that the three underlying problems behind our security since independence have been:

(i) political instability and a lack of political evolution in Pakistan due partly to a deeply ingrained fear in the minds of our people as to the very survival of the country itself.

(ii) the Soviet perception that since 1947 Pakistan has been hostile to its interests, a perception which has been strengthened by our pro-western alliances over the years and which has been given the final seal in the Soviet mind by our policy on Afghanistan, and,

(iii) India's perception that we are in constant competition in the regional and international arena and hence its desire at best for a *risorgimento*, possibly our balkanization which it began in 1971 with the creation of Bangladesh and at least by our acceptance of a client state status.

If we had experienced uniform political development and followed a more realistic foreign policy, perhaps we would have been in a position to truly manoeuvre today. But we have failed on both fronts and that moment has passed even if it is not apparent to our policy makers. Drastic diseases need drastic cures.

[Text]

Our only possible option is to now follow a course of action adopted by other countries in response to their security needs, a move towards formal and permanent neutrality. To ascertain the actual concept and role of neutrality a number of models can be studied, Switzerland, Sweden, Finland, Malta and Austria. The basic concepts are clear. Permanent neutrality rests on the classical definition of neutrality under international law laid down in the "1907 Hague Convention on the Rights and Duties of Neutral Powers and Persons in War on Land" no more and no less than non-participation in a War on Land" no more and no less than non participation in a war between other states. A state which has adopted neutrality assumes certain attendant rights, duties and obligations both in war and in peace which constitute the law of neutrality. Measures to apply this law constitute the policy of neutrality. The three fundamental pillars of permanent neutrality are for a state to bind itself to (a) declare its permanent neutrality and to resolve to maintain and defend it with all the means at its disposal, (b) never to join any military alliances or permit the establishment of military bases by foreign states on its territory, and (c) never to participate in a war between other states.

Finland's neutral status arising out of its disastrous World War II pro Nazi decision to invade the USSR is consequently based on the 1948 Treaty of Friendship, Cooperation and Mutual Assistance with the USSR and is therefore somewhat unfairly termed as "asymmetrical neutrality" by certain observers. Sweden's permanent neutrality rests on its declaration and practice without any legal or constitutional obligations to this effect. In the Swedish view international guarantees of neutrality by the great powers would in themselves create some measure of dependence and circumscribe national freedom of action.

BEST EXAMPLE

Austria, I feel, furnishes the best example for us. When in 1955 the occupying forces, including those of the USSR, left, Australia constitutionally adopted a policy of permanent neutrality. In fact Soviet troop withdrawal was dependent on Australia going neutral. Neutrality

can be consistent with an active international role. Sweden's contribution to the North South dialogue and to disarmament has been far out of proportion to its size. Neutrality has given such states great weight and respect in international affairs. Austria is also illustrative of a very active foreign policy. Jewish emigres leaving the USSR transit through Austria which is also far in advance of other Western countries in establishing relations with the PLO.

Each neutral State tailors its practice of neutrality to its needs, Pakistan need be no exception. An active Austrian type of neutrality would allow us to continue to play a leading role in the Muslim world, making us more acceptable to all sides. Freed of our major security concerns significant defence expenditure could be re-allocated for socio-economic development. This is not to say that neutrality implies disarming oneself. The three main neutral states, Austria, Switzerland and Sweden field highly efficient and well armed volunteer forces. Both Switzerland and Sweden have the capability to go nuclear if they so desire within a very short lead time and there is no reason why any fresh neutral states should not follow their example.

It might be argued that while the USSR which has long term objectives in this area would accept such a development India might be less than happy. India would prefer a client state but faced with a Pakistan closely allied to the US and China, it would find a neutral Pakistan a more acceptable and less competitive proposition. Moreover, if we are to evolve a durable modus vivendi with India we are likely to pay a lesser price if this accommodation is reached on Soviet terms rather than purely on Indian terms.

OPPORTUNITY

What of the USA? Undoubtedly the US would not be happy right now for Pakistan to go neutral despite its pressure on us to come to terms with India. However, for us 1984 furnishes a unique opportunity. In an election year American foreign policy is traditionally on the defensive if not paralysed. Even President Reagan is being forced to say that he wants an opening to the USSR. Hence the Administration cannot afford to appear to oppose a settlement on Afghanistan. Furthermore Reagan's re-election hangs in the balance. There is a hypothe-

sis that the Zionist lobby realizes that every new President is so beholden for its critical electoral support that he must completely back Israel and that a re-elected President would feel strong enough to follow a more balanced Middle East policy. That is why when American Presidents talk of a more even handed approach they do so from retirement after electoral defeat.

If the democrats get in again we can expect a winding down of the US aid and commitment to Pakistan and possibly a Yalta type agreement with the USSR including Afghanistan at our expense. All the other Presidential candidates have taken such a strong position on nuclear proliferation that it is likely that a continued US relationship would be dependent on our giving far more positive proofs of giving up the nuclear option than demanded by the Reagan Administration.

REFUGEE FACTOR

There is of course the Afghan refugee factor. The refugees may give us some trouble but in the face of a Pak-Soviet-Afghan under-

standing their capability would be limited and this would be the spur to bring them to the conference table.

The evolution of neutrality in other countries owes much to their geographical position as areas of not primary but secondary importance across opposing two power blocs and tensions. Pakistan stands astride US-Soviet force potentials centered around the strategic Gulf area and between Chinese Indian points of friction. Neither side would like us to belong to the other but would prefer our neutrality to that eventuality. As Machiavelli stated "If you have a friend who has troubles with others, he wants you to be his ally, if somebody dislikes you or is indifferent, he wants you to remain neutral."

In the light of our situation we should have two aims, to avoid coming under the influence of one super power while avoiding becoming the menacing outpost of the other super power. The alternative may not be even Balkenization but Polandization which occurred when a country's continued inflexibility and over-reaching ambition led to its three partitions and occupations with the loss of national identity for centuries. A policy of neutrality is the only answer.

CSO: 4600/374

REGIME'S ECONOMIC POLICIES CRITICIZED, IMPACT OF 1983 DISCUSSED

Islamabad THE MUSLIM in English 7, 9 Feb 84

[Two-part series of articles by Dr Mubashir Hasan: "An Inauspicious Year"]

[7 Feb 84 p 4]

[Text]

In the realm of economy and development, 1983 may go well down in our brief history as the most inauspicious year since 1971. During the last twelve months the rupee continued to lose its purchasing power within the country and abroad. The country experienced the first year of an energy crisis that may well be with us for a decade or more. The transport and communication system came under a strain from which no relief is in sight. In the political field developments took place that are likely to discourage commerce as well as industry, savings as well as investments. All this portends ill not only for the economy but for the politics and security of Pakistan.

THE RUPEE

In a non-socialist country, a federal government has only two legitimate responsibilities: defence of the country against foreign aggressors and defence of its currency. A government that fails to discharge any one of these responsibilities fails in its primary duty. Loss of territory or a sustained decline in the value of the currency are conclusive evidence of this.

During 1983 the Pakistani rupee lost considerable ground. In

a way it means that the capacity of Pakistan to produce and export goods and services worsened relative to its ability to import goods and services produced by other countries. This means that we became poorer relative to them and our economy grew weaker relative to their economies.

Within the country also the rupee lost some purchasing power, and prices continued to escalate. But that was not merely due to increase in government expenditure without a similar increase in governmental income or due to irresponsible increase in bank's lending but also because the government increased the cost of transportation, fuels, electricity, water, wheat, rice, ghee and things it manufactures such as cement, fertilizer etc.

THE ENERGY CRISIS

The root cause of the economic crises of Pakistan is that we let our economic policies be directed by the Western industrialized countries. Their basic interests are that we remain producers of raw materials for them at cheap rates and buyers of their manufactured goods such as we can afford. They do not want us to industrialise and be ever in a position to produce goods in competition with them. In other words they want us to remain poor. Our poverty is their riches. Our weakness is their strength. Such is the present day unjust system of means of production and distribution on this Earth.

The best way to keep Pakistan unindustrialized is never to let us have enough energy. For this reason the Western patrons of

Pakistan's economy are always full of praises for those governments that agree to neglect generation of electric power, development of oil and gas resources and opening of new coal fields. The Western countries want us to meet our energy needs by importing oil they sell or control and profit from. But this time our economic wizards have over performed. So acute is going to be the shortage of energy that even the Western experts feel that their interests are likely to be hurt. Pakistan may not be able to serve their interests in an adequate way due to the expected shortfalls in energy.

When the People's Party government came into office our power generation capacity was 1800 Megawatts (MW). Now one MW generating capacity at the power plant means supply for nearly 250 homes with ten light and fan points of 100 Watts each and a heater with two bars. Depending upon its size the load of a textile mill could be anything between 1.5 and 3 MW and of cement factory 5 to 7 MW. Between 1972 and 1977 sanctions were given and some plants were completed almost to double this capacity. The engineers and administrators were pushed into preparing as many projects as they could. The result of this effort was that the present government passed its first few years relatively free of any pressing demand. Unfortunately for the country's economy little was done by the present regime to keep up the precedent of almost doubling the energy supply every five years. Between 1977 and 1982 sanctions were accorded perhaps for a meagre 500 MW or so in new plants, hence the severe electricity crisis.

The story of neglecting the development of oil and gas is similar to that of electricity. Even those projects that had been initiated by the previous government were not pursued with the required zeal. That is how a full-blooded energy crisis has developed. 1983 was only the first year. The years to come will be worse. It is said that the consultants appointed by the government to look into the energy question have opined that if every thing goes according to plan the energy shortage may be alleviated by the end of the Seventh Plan period i.e. 1992.

Great is the difference in the perception of foreign and Pakistani experts about the needs of energy in Pakistan. The Sixth Plan supported by foreign experts considers generation of 7000-8000 MW sufficient for the country by 1987. Pakistani experts believe that the country has the need and the capacity to make use of as much

as 20,000 MW of electrical power. Similar differences exist about the requirements of coal, gas and oil.

COMMUNICATIONS

My experience as finance minister was that unless our top bureaucrats were "advised" by foreign "experts" it was very very difficult to persuade them to formulate or undertake a bold project in transport and communications sector. I remember a meeting in Islamabad at which Secretary Communications and Director General Telephones presented a proposal for extending the telephone network by 25,000 lines. Realizing the acute shortage of telephones I enquired of him the extent of the shortage. The Secretary had no clue. The Director General after some hesitation mumbled a figure of 100,000. Then why had he brought a proposal for 25,000 phones I asked him. He had no answer. That genuinely surprised Mr. Ghulam Mustafa Jatoi who was the Minister of Communications and was present at the meeting. Mr. Jatoi also queried his officials with no satisfactory explanation from them. So I took the unusual step of sanctioning 50,000 phones on a proposal of 25,000 and ordered that proposal for another 50,000 phones should be submitted. That also was approved at the next meeting. Mr. Jatoi was to discover later that the figure 100,000 given by the DG was wrong. The order of the shortage was much bigger. So within a short period another sanction of 125,000 phones was thrust on the department and still another 125,000 or perhaps 250,000 I cannot exactly recall the latter figure.

At another meeting the top officials of the railways presented a case for purchase of 20 or 25 (the figure was less than thirty) locomotives that they had negotiated with a Canadian supplier. I approved the proposal and casually enquired the extent of their requirements. One of them replied: if only the railways has 35 new locomotives its needs would be adequately met. I approved the purchase of thirty-five. Emboldened, two of them whispered to each other and then said that by the time the new locomotives arrived, more from the existing ones will need replacement and if I could be good enough to let them purchase forty-five or so, the railways would be able to give the best possible service. On the basis of personal information I knew that the shortage of locomotives was very acute. While I granted their request for forty-five I got suspicious of their case and demanded to know the basis of the

positions they were taking. Considerable discussion followed and after listening about the recommendations of various reports and assessments approval was accorded for the purchase of fifty-nine (or was it 69) locomotives.

The story of attempts to extend the network of highways was similar to that of the telephones and railways. Government officials and their foreign advisors never made any far-sighted recommendations. Proposals for construction of new bridges of the Indus at Attock, Dera Ismail Khan, Dera Ghazi Khan, Dadu-Moro were approved at the initiative and insistence of elected representatives. I personally had to give detailed instructions about the design and construction of a bridge at Kotri for an additional railway track.

The 1973 floods thoroughly exposed the vulnerability of the transportation and communication life-lines between Karachi and the rest of the country. The previous government took positive steps to improve the status of the railway track on the right bank of the Indus between Upper Sind and the Punjab. But the most vital decision concerned the construction of a new modern highway linking Peshawar and Karachi on the right bank. By 1977 extensive surveys had been made, designs almost completed and some finances arranged. This proposal was met with stiff resistance from Ghulam Ishaq Khan who was supported by V.A. Jaffery. To the misfortune of the country the proposal was finally killed by this government.

Once again it was 1983 when thanks to the past neglect the full brunt of the transportation bottleneck had to be experienced. The crisis had of course surfaced earlier. A highly expensive and uneconomical National Logistic Cell had to be created to transport vitally needed supplies upcountry. But that is story in itself. Here it may only be mentioned that according to some experts; with the amount of money spent on the NLC fleet, its running and maintenance and on repairs and renewals of the highways damaged by its heavy vehicles and counting the loss sustained by the railways on account of profit bearing loads now earmarked for the NLC, brand new arrangements for more lasting solutions of the transportation problems could have been made.

[Text]

Today the situation is that much of the expensive cargo between Karachi and north is being booked by passenger train. The freight rates between Lahore and Karachi are more than double of what they used to be in 1982. And now, listen! dear reader, according a report in "Dawn" thirteen Suzuki cars were air-freighted from Karachi to Islamabad. Even rich countries like the United States and Canada cannot afford to transport cars by air for commerce. Who were the buyers in Islamabad who agreed to pay three or four times the normal freight? Where did the money come from? Has the transportation system deteriorated to such a degree that cars have to be carried by air?

Few among us realize the grave threat posed by our tottered transport and communication system to the economy and security of Pakistan. The very existence of the country is resting on a single and inadequate railway track built in the 19th century and a road in a desperate state of disrepair called the national highway. Having killed the plan of the Indus Highway the government has now woken up to building a broad new national highway. Unfortunately there is no money in the treasury. So the plan is to attract private capital. Road building contractor is also being asked to arrange bulk of the finances required. We are in desperate straits indeed.

It is no joy to think that a stage has been reached when on the one hand the state sector is being extended to own and run buses and trucks and milk plants and dargahs and mazars while it has no money to build roads. I am told that the World Bank experts have chided the government for not making available sufficient funds for transport and communication sector which they say has become a major handicap in the way of economic development.

Toll collection to service expensive debts incurred to build highways is a hazardous venture for the economy of Pakistan. It is the primary responsibility of the government to find money not merely to build at least two major highways on both sides of the Indus but also to lay additional railways

tracks from Karachi to Peshawar. These will serve not just as transportation projects but will be the backbone of national security, solidarity and economy.

1983 is to carry yet another odium, namely of the approval of the Sixth Five Year Plan. Also in mid 1983 the Fifth Plan expired and it became possible to know to a greater degree the inadequacies of the governmental system and machinery to implement plans of economic development. Table 1 gives in million of Rs. the planned and actual expenditure in various sectors of the national economy during the Fifth Five Year Plan.

The dismal performance in terms of rupees as shown by Table 1 looks all the more barren when one looks at the physical achievements. For instance in the health sector it was planned to build 625 rural health centres but only 206 could be built. It was planned to build 4596 basic health units but only 1617 could be built. It was planned that 25820 beds would be added to our hospitals but only 5308 could be added. One thus finds that the position on the ground turned out to be worse than what the figures in Table 1 show.

In attempting to assess the full extent of the failure of the Fifth Plan depicted by the numbers in Table 1 one has to keep in mind the statistical juggling that generally goes into presenting the best possible face of the data. For example according to Table 1 the percentage implementation in the industry sector was 113 against a target of 100, that is thirteen percent better than planned. On the ground however, the real annual growth of manufacturing output was 9 percent against the 10 percent planned. In terms of the investment programme of industry the target of the plan was Rs.40,000 million (1977 prices) but actually Rs. 35,000 million were invested causing a shortage of nearly thirteen percent.

GREAT UNCERTAINTIES

Economic development under any system — capitalist, socialist, feudal or pastoral — requires an environment of peace and security. Unless the people consider themselves free to think, work and prosper no development is possible. Not only rule of law is required but also needed is the law that governs all laws i.e. a constitution. Only then people feel safe and secure and

are ready to do things today and wait for tomorrow for their efforts to bear fruit. But if they think that they do not know what tomorrow would be like they are least inclined to indulge in any developmental effort. Uncertainty and development do not go together.

1983 has been a year of great uncertainty for Pakistan. When will elections be held? What will be the basis of elections? Who will win the elections? What will be the role of the military in the future civilian governments? What changes are envisaged in 1973 constitution? When will martial law be lifted? Who will be the president of Pakistan? What will be the value of rupee a year from now? What will the prices be like? What will be the labour policy? Shall we have enough gas, electricity, water for our industry and agriculture? When will Afghan refugees return to their country? Will not the United States dump us in our period of difficulty as it has done in the past? What is going to be the policy of Soviet Union? What is going to be the policy of India? All these questions and many more, depending upon the place one lived and the kind of work one was engaged in deeply occupied the minds of Pakistanis and barring the ignorant and the adventurous, proved to be a solid hindrance in expansion of

economic activity. But that was before August 14, 1983.

Since the 37th Independence Day the state of uncertainty has been further intensified. The extent and degree of the agitation launched by the Movement for Restoration of Democracy clearly indicate that once again like 1969 and 1977 political issues have acquired supremacy over issues of economy and development. No progress in the realm of economy and development is possible without satisfactory resolution of political issues.

The law and order that a regime may claim to maintain, through extraordinary measures is a quite different state from that of peace and tranquillity that is necessary and sufficient for progress in the sphere of economy and development. In a society such as Pakistan only minorities rule the country. The majority of the population is not actually concerned or takes part in the business of ruling. The ruling segments of minorities are upset by opposing segments of minorities. While their struggles go on the productive majority wisely stops work except for the basic minimum and awaits the outcome of the political encounters. Economic progress and development grievously suffer.

In a country like Pakistan, struggle for state power affects

economy and development in several ways. Does the power struggle tend to reduce or enhance the commercial and human intercourse between the provinces? Does it result in increasing the physical and emotional distance between the peoples of various provinces? If so then the struggle has long range adverse consequences for economic progress and development. In this regard Pakistan is not in a happy position.

Political struggles also influence national economic scene in more direct ways. Consider the case of even minor disruption in the regimen of the road and railway services between Karachi and up country. If producers of onion in Baluchistan and Sind found it easier and more profitable to export their produce than to send it to the markets of Lahore and Islamabad then there was bound to be a supply and price crisis in the Punjab. So the government allowed Pakistanis to import onions from India. It was perhaps an economical and expedient solution. But for the people of Punjab it raised questions of a more profound nature. If no satisfactory solutions are found of the political problems of our country how many of their needs India will be called upon fulfil? And what price will it ask?

Table 1
Fifth Plan Development Expenditures
(Rs. in million in 1977-78 prices)

Sector	Allocation	Expenditure	Implementation Percentage	Remarks
Agriculture	9705	4031	41	*excluding Tarbela on which expenditure should have ceased in 1975
Water*	14831	7316	49	
Power	25300	14340	57	
Fuels	3870	4315	112	
Industry	13100	14848	113	
Minerals	1000	319	32	
Transport and Communication	21700	17506	81	
Housing etc	8800	6400	73	
Education	10382	4233	41	
Health	6600	3121	47	
Population Planning	1800	523	29	
Rural Works	1500	1713	114	

NWFP: ECONOMIC BACKWARDNESS HIGHLIGHTED

Islamabad THE MUSLIM in English 7 Feb 84 p 8

[Text]

PESHAWAR, Feb. 6: The North West Frontier Province could claim only 1.03 per cent of the total amount advanced by the five nationalised and two foreign banks located here during the last fiscal year.

According to official figures, about Rs.70,000 million rupees have been advanced by these banks out of which the Frontier's share was as low as Rs.775 million. The position in respect of the long-term loaning agencies like the ICP, PICIC and the IDBP have been no better, with only half per cent of the total loans advanced by the PICIC and 0.79 per cent of those released by the ICP. The IDBP share, however,

has been a little better with 10.11 per cent and this was said to be the best to date but still far short of the requirements.

These figures were revealed at a press conference held here today by Fawwadul Haq, Vice Chairman, Pakistan Agricultural Machinery and Implements Manufacturers Association. He said that because of the financial difficulties and other handicaps the shape of trade and industry in the Frontier Province has not only remained static but in some cases it has received a serious setback. In this context he particularly referred to the engineering industry where the investment was worth Rs.50 million out of a total of Rs.4082 million while the number of units consti-

tuted only 0.7 per cent in the private sector. (There was none in the public sector.) This, he said, was rather an alarming situation which called for Federal Government's special attention and effort. Engineering, he said, is the mother of industry and unless it is adequately developed and expanded it will not be possible to achieve the goals of economic growth.

Referring to the eight big projects which Federal Minister Mahbubul Haq had indicated for the NWFP, he said that there had been no progress on any of these except the locomotive factory. Neither were these projects included in the Sixth Plan nor had any allocation been made. This he remarked was creating unnecessary doubts in the public mind and therefore it would be in the fitness of things if the Government let the people know the exact position. He feared that efforts were being made to get these projects shifted outside the Frontier and suggested that none of those committed by Dr. Mahbubul Haq for the Frontier Province should be allowed to go out of this province.

In order to make up for the lapses of the past and ensure proper economic growth, he suggested that 'Marshal Plan' should be prepared for the industrial development of the province involving an investment of Rs. 20 billion during the current Plan. Besides, the entire province should be declared a tax-free zone, rate of interest on bank advances should be reduced by three per cent, gas and electricity rates and railway freight should be lowered by 20 to 25 per cent and 25 per cent of the total commercial bank advances should be invested here. Finally the capital goods industry should in future be restricted to NWFP.

EFFECT OF WORLD BANK POLICIES, DICTATES ON PAKISTAN'S ECONOMY EXAMINED

Lahore VIEWPOINT in English 2 Feb 84 pp 27-28, 32

[Article by Shahid Kardar]

[Text]

AN ARTICLE on IMF and World-Bank-imposed policies, which appeared in a Karachi daily a few month ago, is reported to have provoked Dr. Mahbubul Haq to launch into a verbal assault on the author of that article. Dr. Haq is reported to have claimed that the economic policies of the regime had been agreed to by the IMF after prolonged and protracted discussions and were, therefore, not forced down our throats. In other words, Dr. Haq insisted that these policies have not been thrust upon us but represent the regime's own thinking — the policies being pursued by the Government attracted the loans and were not the outcome of the loan agreements.

This article proposes to examine:

- i) Dr. Haq's claim in the light of information and documentation available on IMF 'induced' policies in other countries;
- ii) the effect on the long-term functioning of the economy of these policies, although the credit arrangement was only for a period of three years.

Conditional financing

The IMF's operating policy was best summed up by the Managing Director of the Fund, Mr. J. de Larosiere, in his address to the French-American Chamber of Commerce on March 4, 1982:

"The expansion in the Fund's

financial operations has been matched by a much greater emphasis on conditional financing. Over the past two years more than 80% of the resources have been provided by the Fund to its members in support of programmes involving rigorous adjustment policies."

The primary reason stated in support of this policy is that wherever the balance of payments (BOP) problems are not temporary or reversible they need to be corrected. In the mid-seventies, following a rapid deterioration in the terms of trade of the developing countries, no such policies were imposed though it was never assumed that the oil price increases were reversible. But since 1980 the Fund is insisting on structural adjustments, arguing that the BOP difficulties were not ephemeral but the consequence of structural maladjustments, even if these difficulties were exogenous and external and beyond their control. The procedure adopted is that the government of the country seeking the facility agrees to a programme which spells out the objectives in the form of performance targets. The IMF (Fund) and the World Bank (Bank) periodically review and monitor the performance under the arrangement.

In Tanzania and Jamaica the Fund and the Bank demanded devaluation, lifting of price controls ("to provide incentives for investment and production"), reduction in government

budget deficits through reductions in subsidies and increased indirect taxation and import liberalisation. In Jamaica the Bank also insisted on export-led growth and the Government was exhorted to improve its resource mobilization effort to finance the operations of such enterprises.

We shall see below the 'remarkable' similarities in the policy package adopted by the Pakistan government.

Credit for Pakistan

As Pakistan's credit rating is low for long-term borrowing from commercial-lending institutions, it has to resort to the Bank's and the Fund's credit facilities.

The loan agreements with the IMF under the External Fund Facility and the World Bank through its Structural Adjustment Loan were finalised after close consultations and discussions with the Fund and the Bank on major policies, which also covered suggested revisions in labour laws. The primary risk for the Bank must have been the uncertain political situation in the country.

The credit facility was granted to check deterioration in the BOP through structural adjustments involving

- i) resource mobilisation measures to facilitate the development effort,
- ii) changes in key policies designed for the industrial and foreign trade sector, and
- iii) 'suitable' pruning of the governments' budget deficits.

It purports to bring the BOP requirements in line with the internal, domestic requirement at increased investment and saving levels.

As was shown in the case of Jamaica and Tanzania, the Fund will extend a credit provided certain conditions are met. According to Gail Omvedt,

"An IMF loan without conditions is like a soldier without a gun; the question is only of the degree of armament."

Each periodic disbursement was conditional upon compliance with the performance clauses under the agreed phased programme; this compliance is ensured by the Fund and the Bank through periodic reviews.

Key policies and the Fund's requirements

a) Resource mobilisation measures:

As changes in GDP have not brought about proportional changes in tax revenues (especially in view of the policy not to tax agricultural income), the savings of the public sector corporations have stagnated in recent years and there has been a fall in real terms of external inflows, and considerable pressure has been put on the Government to look for other resource mobilisation measures to finance the public sector programme.

The Government claims that the decrease in revenues following the relief granted in direct taxes is to be recouped and to some extent enhanced through indirect taxation, e.g., the 5% surcharge on imports, the increase in excise duties on sugar, soft drinks and cigarettes. But the main increase in resources is to be sought through a major shift in the policy measures in the form of price revisions of public sector products and services like fertilisers, cement, gas, electricity, water rates and user charges for health and education services, e.g., the Government has committed to the Bank that the

- i) subsidy to fertilizer will end by June 1985;
- ii) price of gas will be raised to 2/3rds of the international price of furnace oil by 1988;
- iii) prices of agricultural inputs will be revised upwards sharply (as has happened over the past two years).

So, the increase in savings or reduction in budget deficits is to be achieved through increased indirect taxation, phasing out of subsidies, price revisions of social services and the raising of profit levels of public sector corporations through 'relaxation' in price controls.

For India the Fund's requirement was stated as follows:

"An important aim of the programme is to adjust administered prices where necessary, in order to bring them progressively in line with economic costs, and thus promote the twin objectives of increased resource mobilization and efficiency in resource use".

Note the similarities in the policy approach of the Pakistan Government, of which further below, with the policies imposed by the Bank and the Fund on Jamaica, Tanzania and India, signifying the existence of such clauses in the credit arrangement with the Bank and the Fund.

b) Import liberalisation:

The main criteria for obtaining the Fund's and the Bank's credits are import liberalisation and lowering of tariff barriers. The Government claims that import liberalisation policy measures are being adopted to facilitate the availability of imported inputs required by the private sector. In Pakistan the liberalisation measures have included the following policies:

Permission to import cotton yarn, permission to the private sector to import caustic soda and soda ash and reduction of the list of banned items by almost 50% — over 250 items have been transferred from the banned list to the free list.

Note again similarities with Jamaica and Tanzania.

The import liberalisation measures and incentive-oriented policies to encourage investment in the private sector will require large volumes of foreign exchange in circumstances when international lending agencies are not coming forward with sufficient funds and the commercial banks regard Pakistan as a risky debtor. It is also startling that the Government, in concurrence with the Fund and the Bank, is insisting on import liberalisation measures in a climate where the Western countries are raising protection barriers against our exports.

In theory liberalisation is supposed to ease the 'bureaucracy' surrounding procedures for import of raw materials, intermediate and capital goods for the industrial sector, but will almost certainly lead to import of non-essential items to satisfy the palate of the elites.

The import liberalisation measures and policies to encourage exports will combine to encourage imports to enable the achievement of sophistication required to compete in international markets, which in turn will require more exports to pay for these imports. It is important to bear this in mind because if growth in the agriculture sector does not achieve the

rates projected in the Sixth Plan, the already diminutive consumer base will not grow wider and will, therefore, put pressure on the economy to export industrial products (maybe, at more subsidised rates, to be able to compete in international markets), even if only to finance the import requirements of the industrial sector. A crucial requirement of the import liberalisation and export-led growth policies is exchange rate flexibility — again on the Fund's insistence.

Import liberalisation measures have also become imperative because the Sixth Plan envisages large external inflows either as aid or foreign private capital to achieve the growth targets. So, foreign investment is to be encouraged, especially through the creation of the Export Processing Zone and by also designing policy measures to facilitate foreign exchange transfers to settle international transactions.

c) Policy on agricultural inputs and products:

In the agriculture sector the policies agreed with the Fund and the World Bank have at their core increases in prices of agricultural inputs and products to match international prices. Since 1978/79 prices of fertilizer have been raised by over 65%. There have also been large increases in the prices of pesticides and water charges and increases in support prices of wheat by over 70%, rice 55%, sugarcane 55%, etc., over the same period.

The argument behind the increase in agricultural prices must be not only to compensate for increases in prices of fertilizers, pesticides and water, but also to provide an incentive to increase production. But the increase in the support price of foodgrains will severely strain the budgets of the landless and the small farmers (who, because of the institutional constraints, have to purchase their own foodgrains), while the consequent rise in prices of industrial goods will compound their misery. The increase in real incomes of the larger, surplus producing, farmers will not increase significantly the demand for the mass consumption goods: the rural rich will spend the extra incomes on luxury consumer goods and thereby encourage the growth of an industrial base which caters for sophisticated tastes. These industries consume much larger pro-

portions of capital funds than is warranted by the size of the market because of the built-in indivisibilities.

The Government claims to hold dear the lot of the small farmer and, egged on by the Fund and the Bank, has increased disbursements of interest-free agricultural loans. But, these loans, because of institutional and structural factors, get diverted to the large landowners who even get themselves registered as small farmers to avail these facilities. Furthermore, a very large proportion of these loans is not repaid and has to be written off as bad debts.

The Fund and the Bank are also urging the Government to export agriculture products because we supposedly have a comparative advantage in agriculture. For Tanzania, Cheryl Payer summed up the effects of these policies very well, "... irony that while the World Bank is exhorting Tanzania to increase prices paid to farmers for export crops, price prospects of these crops on the world market are dim. Evidently, the Bank believes that while farmers are expected to respond in an economically rational manner to price incentives, the State must be exhorted to produce and export higher quantities as prices fall."

d) Productive capital formation:

Productive capital formation is not one of the successes of the Pakistan economy. A large proportion of the savings of the household sector are locked up in urban construction. As there are further increases in prices of public sector outputs and services (e.g. those of electricity and gas have been raised by over 40% since 1978/79 and that of cement by over 75% during the same period), there will be

an upward pressure on costs and a downward pressure on profit margins. This would make productive capital formation less alluring to the smaller capitalists who do not have the 'right connections' to avail of the credit facilities of the Government-sponsored financial institutions at rates they can afford to pay. This may then only serve to encourage investment of savings in real estate and exacerbate the inequalities in income and wealth.

Conclusions:

- i) The Government has concluded that external sources will serve as major contributors to the Sixth Plan (over 40% of the public sector programme) and in such a situation have no option but to accept the basic conditions being imposed on us by these agencies.
- ii) The Fund and the Bank have set out their ideological position quite clearly by insisting on a deregulation of all sectors of the economy except labour which under their model requires to be controlled/'regulated'.
- iii) The interventions of the Fund and the Bank have ironed out the incongruities and inconsistencies in the Government's key policy measures and made them clearer and better defined and rigorous. Some commentators may argue that such measures do not reconcile with the Government's stated objectives of self-reliance and eradication of poverty. But the crucial contribution of the agreed arrangement is that it has exposed the real intentions of the dominant elites by removing the pall of rhetoric.

NWFP GOVERNOR SAYS 1985 MAY BE ZIA REGIME'S LAST YEAR

Islamabad THE MUSLIM in English 10 Feb 84 p 8

[Text]

PESHAWAR, Feb. 9: Lt. Gen. Fazle Haq, the Governor of NWFP, today hinted that the next year may be the last year of the present regime in power and we have, therefore, decided to give utmost attention to the completion of all on-going developmental activities in the country.

In his extempore remarks at the two bridges inauguration ceremony near Peshawar this afternoon, the governor said, the country's economic condition was quite sound and there was nothing alarming despite the failure of the cotton crop and the expected dramage to the wheat crop. He said the government was determined to provide to the people food and other basic commodities of daily use on reasonable prices and strict measures would be taken to check hoarding and black marketing.

The Governor said sufficient stocks of wheat were qvailable in the country and there was no fear of experiencing any shortage as was being predicted by certain quartars.

Referring to the increase in ghee prices, the Governor said, it had become imperative due to sudden rise in the fuel prices. He advised the people to produce the use of edible oil and vegetable ghee.

The Governor warned tribesmen who were creating hurdles in the developmental activities in the Tribal Areas and said the government would deal with them sternly. Likewise, he said from now onwards no concessions would be given to tribal contractors in awarding contracts and asked them to abide by the rules and complete their contracts according to specifications.

The Government, he said, on its part was doing its best to bring the Tribal Areas at par with the developed areas and huge funds were being allocated for this purpose.

The Governor also referred to slow recovery of sugarcane this year but assured that every effort would be made to provide sugar to the consumers on controlled rates.

CSO: 4600/380

NWFP: NEED FOR INDUSTRIALIZATION STRESSED

Islamabad THE MUSLIM in English 6 Feb 84 p 6

[Text]

PESHAWAR, Feb. 5: While the public sector role in the future industrial development of the NWFP is still clouded in uncertainty, the private sector too seems to have become rather shy and this situation is likely to aggravate the already acute problem of unemployment in this province.

The need for expanding employment opportunities had never been felt to such an extent as now and this concern could be attributed to the return of the Pakistani workers from foreign contracts. The outflow to the Gulf and Saudi Arabia, the main areas providing jobs to the Pakistani workers particularly those from the NWFP, has already dwindled. The trek back has also begun. In another two to three years its pace will pick up causing unemployment to touch new heights. In such a situation industrialisation seems to be the only answer but the present state of affairs offers no promise.

The existing units are in a shambles with quite a few of them, particularly the textile mills, being on the verge of liquidation. This is evident from the fact that only four to five units, including of course the giants like the Premier Sugar Mills and the Adamjee Paper, have declared dividends for their share holders. The rest of the units were reportedly faced with

heavy losses as they are highly handicapped on different accounts. Besides being away from the port city they are being treated at par with Karachi and other major industrial centres in respect of excise, power rate and interest rate. The non-availability of skilled labour locally is another factor as it has to be engaged from Punjab on higher wages which in turn adds to the cost of production.

The most shocking and heart-breaking aspect of this story is the Sui Gas supply which this province is getting only to the extent of two per cent and that too is under shedding. While the units in Karachi are operating on Sui gas those in NWFP have been advised to switch over to furnace oil coming all the way from Karachi.

So far as the prospects of any future growth in the private sector is concerned that too holds no promise as the incentives and facilities available in NWFP exist in Hub also and that being close to the port has all the attraction for entrepreneurs. The latest example that could be cited in this context is that of the Nissan Trucks. The project was first assigned to the Frontier but in all probability it will now be set up around Karachi.

The only answer to this situation is a bigger role by public sector through a block allocation to the extent of Rs. 5,000 million or so which could help generate

resources and create jobs. So far there is no firm commitment except of course the locomotives factory near Risalpur. That one unit alone in five years will not help solve the problem unless it is backed by at least few more projects both in the settled as well as Tribal Areas.

PAKISTAN

PROJECT REVIEW BOARD SET UP

Karachi MORNING NEWS in English 8 Feb 84 p 6

[Text] Islamabad, Feb. 7: The National Economic Council (NEC) reviewed the implementation work of 18 major on-going projects which cover about 25 per cent of the ADP, 1983-84.

The projects covered a number of development sectors like energy, water, transport, communications, physical planning, housing and health.

Dr. Mahbubul Haq, Minister for Planning and Development briefing the newsmen said that the NEC noted that tremendous improvement was needed to implement the projects.

He said it was decided to give more powers to Project Directors for taking quick decisions for implementation the projects and proper training of the Directors. [as published]

He said it was decided to set up a Project Review Board under the chairmanship of the President to review the progress of the on-going projects quarterly.

The projects include: Bin Qasim Pipri Unit No. One and Two, Tarbela Units 9 and 10 of 175 M. W. each 5500/220 kv Faislabad Guddu-Jamshoro-Karachi transmission line, Mardan SCARP, Chashma Right Bank Canal, third highway projects, D. I. Khan Darya Khan Bridge construction of 3,000 houses for Federal Government employees, construction of Islamabad Hospital, children hospital and nuclear Medicine Oncology and Radiotherapy Institute, Islamabad.--APP

CSO: 4600/364

SEMINAR COMPARES GOALS, TRENDS OF PAKISTAN, JAPAN

Karachi MORNING NEWS in English 6 Feb 84 p 4

[Article by Shahid-Ur.Rehman: "'Can Pakistan Be Japan'?"]

[Text] Ever since President General Zia-ul-Haq's visit to Japan in September last year, there has been a growing fascination with that country, sometimes manifesting in remarks by the Production Minister General Saeed Qadir that "Japan was more Islamic than many Islamic countries" and sometimes by holding seminars like the one in Islamabad, the other day about "Can Pakistan be Japan?"

The panelist at the seminar convened by the Ministry of rural Development included Planning Minister Dr. Mahbub-ul-Haq, Japanese Ambassador to Pakistan Shinichi Yanai and Editor of MUSLIM Mushahid Hussain.

Key Speech

Key speech at the seminar was delivered by noted anthropologist Dr. Akbar whose observation that the Japanese development model was in fact a Sumurai Japanese fighter model led the Japanese ambassador to observe that he reserve his comments about the outline of the "sumurai model" as elaborated by the Pakistani anthropologist. [as published]

Akbar Ahmad had observed in his exposition that the whole Japanese nation became a Sumurai when the Meiji constitution was replayed in the post-war period by the constitution designed by the "government section" of General MacArthur chief element of which was a renunciation of militarism in Japan. [as published]

There is no doubt that Japan has changed a great deal and is still changing socially, politically, psychologically and above all economically from the old Japan of the warlords and shoguns who throughout centuries deliberately kept Japan isolated. It was a Japan, as pointed out by Akbar Ahmad in which beat-building was a crime and Japanese returning from abroad were instantly put to death to bar foreign influence. [as published]

Akbar Ahmad presented a very comprehensive and elaborate picture of the present and pre-war Japan, but seems to have deliberately skipped a key

and well-known aspect of the Japanese society in the post-war period. He made only a passing remark to this fact by asking a question as to why the Japanese Shoguns who dominated pre-war Japan glued to their traditional role? [as published]

It was only people from among the audience and Mr. Mushahid Hussain who referred to the existence of US-Japan Security pact and non-existence of a defence budget which triggered off a rapid development in Japan.

Factors like literacy, population control, civil liberties, and ability to reward the talent played important role in propelling Japan to its present position, Akbar Ahmad said. Although he did not dwell on how to make Pakistan another Japan, but his silence itself was one big and loud comment on the subject, particularly when he concluded that "Pakistan can become Japan by being truly and genuinely Islamic".

Mushahid Hussain was blunt in his brief remarks when he pointed out that in the factors like education, population control, civil liberties and rewarding the talent listed by Akbar Ahmad to be responsible for the Japanese rapid growth, Pakistan's own record was "very dismal."

To him and most of the Asians, Mushahid Hussain said, Japan was as much a colonial power as any of the western countries. Toyotas were a symbol of colonial invasions as were cocacolas.

While the Japanese ambassador Shinichi Yanai had reserved his comments about the sumurai model of Mr. Akbar Ahmad, the observation by Mushahid Hussain that proddings by United States to Japan to increase her defence budget was creating nervousness and concern among many Asian countries, particularly Japan's neighbours, brought him back to the dias. Echoing the cardinal Buddhist principal to "let bygone be bygone", the Ambassador urged the people to emphasise the changes taking place in Japan rather than focusing on the past warlords, Kamikaze (suicide squads), Sumurais and the Shoguns.

The debate at the seminar thus become more a search about discovering the truth about Japan than for a possibility to turn Pakistan unto Japan. [as published] Although as one speaker pointed out by highlighting the factors that give strength to Japan, we bring to the forefront the inherent weaknesses of our own system.

The reaction of the Japanese Ambassador to the Sumurai model and remarks by Mr. Mushahid Hussain was understandable, if one remembers the furor that was created not long ago in China, South Korea and other Asian countries about revision in the textbooks for school children in Japan saying it signalled revival of militarism in Japan.

Details about how the armed forces of Japan wielded power in pre-war Japan and the situation and behind the doors development which confronted Japan with its neighbours and another power United States--a country on the other side of the Pacific have been vividly caught by Hyoe Murakami in his book "Japan, Years of Trial 1919-56."

Japan during this period was one in which decisions were made by the war Minister and not the cabinet collectively, military officers were seizing the office of the Prime Minister and killing the Ministers advocating peace.

It was a Japan commanded and governed by the Sumurais and Shogun ruthlessly exercising their powers. They had to be gaoled after 1945 so that Japan could be what it is today, an ideal for all the countries in the developed and developing blocks alike.

Japanese Ambassador promised at the seminar that the search for "Can Japan be Pakistan?" would go on which the visit to Pakistan by four eminent scholars from Japan for another round of public discussion on the subject.

Wrong Bush

The question to be asked however is, if Japan would have made its debut as world's second biggest economic power of the 20th century without undergoing trauma and humiliation under the occupation forces up to 1956, without stripping its warlords of their power and without giving up its defence programme. If the answer to this question is no than perhaps we might be beating around the wrong bush, the wrong ideal.

Planning Minister Dr. Mahboob-ul-Haq was unambiguous at the seminar when he said that in Pakistan we have a tendency to glamorise what is distant and belittle what is close.

He pointed out that every country has its own peculiar and indigenous environment to grow, in which foreign models cannot be transplanted. To try to be Japanese would be de-pakistanising Pakistan which would not be desirable.

Pakistan should, therefore persue a development model while maintaining its Islamic character, values and traditions, he said. That is what we are perhaps doing.

CSO: 4600/364

STATISTICS ON SIND ECONOMY SHOW PROVINCE'S NEGLECT

East Burnham ARABIA The Islamic World Review in English Feb 84 p 51

[Article: "Sind, Pakistan's Poor Relation"]

[Text]

● The economic deprivation of rural Sind – Pakistan's southern province which saw serious political violence in the closing months of 1983 – is likely to continue to be a source of considerable social friction. Data made available to *Arabia* shows that Upper Sind in particular lags far behind Karachi and the Punjab in terms of both social and economic indicators. Although the estimates reported in Tables 1 and 2 are tentative, they show some important characteristics of the development of provincial disparities in Pakistan.

The most striking of these is the enormous gap that exists between Karachi and the rest of Sind. The 10 districts of Sind lag far behind Karachi in terms of all the social and economic indicators presented in our tables. Industrial value-added per capita in the rest of Sind is about 17 per cent of the industrial value added per capita in Karachi. Commercial bank branches per 1,000 persons in the rest of Sind are 18 per cent of those in Karachi. For every 100 doctors in Karachi there are only 16 in the rest of Sind. The literacy rate in the rest of Sind is 60 per cent lower than in Karachi.

The differences between Sind and Punjab are clearly very much less pronounced, but the Sindhi districts lag behind substantially in terms of agricultural investment, and probably in productivity. This is evident from the fact that the percentage of farmers using tractors is about 61 per cent lower in the 10 provinces of Sind than in the Punjab. Industrial value-added per capita is 30 per cent lower and Punjab has about twice as many commercial bank branches per thousand persons as does non-Karachi Sind. Punjab enjoys a significantly higher

level of electrification, but there is little difference in the level of educational and medical facilities available in the two provinces.

In order to avoid a repetition of the kind of political catastrophe which dismembered Pakistan in 1971, the government has to move quickly on two fronts. A rural industrialisation strategy has to be devised to reduce Karachi's stifling grip on the economy of Sind. Karachi's rapid economic growth has had no positive impact on the rest of Sind. Karachi has used the agricultural surplus produced in Sind, but the spread effects of Karachi's industrial expansion have been non-existent. Karachi's industry and commerce is owned entirely by the "Mohajirs" – the Muslims who migrated from India after 1947 and from Bangladesh after 1972 – and by Punjabis and other non-Sindhi groups.

Industrial units in the smaller towns of Sind are also in the main owned by the Punjabis. There is a need to ensure Sindhi participation in industry and commerce and an emergency programme to develop rural industry, and encourage the sale of company shares to Sindhi industrial workers and would-be entrepreneurs can be a useful starting point for closing the enormous gap between Karachi and the rest of Sind.

Sind's economic backwardness is also a consequence of the preponderance of absentee, non-resident landlords in the agricultural sector. The government is currently toying with the idea of a new set of land reforms – a commission to "look into the implementation of the 1972 reforms" has just been set up. The 1972 reforms were totally ineffective. About 0.6 million acres have been redistributed

under these reforms which is less than 0.01 per cent of the total farm area of Pakistan.

The government has shelved the more comprehensive reforms announced by the Bhutto administration in early 1977. Sind needs a restructuring of the agrarian economy, but the signs are not encouraging. The government has followed a policy of allocating larger and

larger holdings to army officials who are non-residents of Sind and who operate on the basis of a tenant farmer system which inhibits the growth of agricultural productivity. Any new land reforms, if they are to be effective, must put an end to the system of distributing land to the army and must check the growth of absentee landlordism in Sind.

Economic Backwardness of Sind compared to Karachi and Punjab

	Industrial VA per capita		Comm bank branches per 1,000 pop		% of farmers using tractors	
	as % of Karachi	as % of Punjab	as % of Karachi	as % of Punjab	as % of Karachi	as % of Punjab
Hyderabad	16.65	152.93	11.65	29.23	44.96	32.8
Thatta	8.03	66.40	15.23	46.15	43.62	31.2
Sanghar	0.25	1.98	24.39	67.69	42.95	30.7
Dadu	27.14	240.24	20.14	53.84	2.01	1.4
Tharparkar	2.23	17.96	21.73	56.92	103.35	75.96
Khairpur	5.61	39.46	20.47	53.84	51.00	36.5
Nawabshah	9.63	66.83	22.69	56.92	62.41	44.7
Sukkur	2.50	19.08	15.33	38.48	17.44	12.5
Larkana	0.15	1.29	16.14	40.00	7.34	3.9
Jacobabad	11.18	87.77	15.95	40.00	13.42	9.6

Social Backwardness of Sind compared to Karachi and Punjab

	Literacy Rate		Primary Enrolment Rate		Doctors per 10,000 pop		% of houses electricity	
	as % of Karachi	as % of Punjab	as % of Karachi	as % of Punjab	as % of Karachi	as % of Punjab	as % of Karachi	as % of Punjab
Hyderabad	52.7	125.55	38.5	89.5	42.1	229.2	40.1	126.0
Thatta	39.1	93.0	24.8	57.7	11.7	63.7	11.8	36.9
Sanghar	37.3	90.7	47.3	110.1	13.6	74.3	26.4	83.0
Dadu	46.3	112.5	36.4	84.7	14.5	78.8	14.6	47.3
Tharparkar	29.5	71.6	43.5	100.3	19.5	106.1	17.7	55.7
Khairpur	33.7	81.9	46.4	107.3	12.0	65.4	16.4	51.5
Nawabshah	43.4	105.8	32.3	75.2	11.4	61.9	15.4	48.4
Sukkur	50.1	120.9	43.6	101.5	20.5	111.5	27.3	87.8
Larkana	41.7	100.1	48.3	109.3	6.5	35.3	18.5	58.1
Jacobabad	31.9	75.8	28.2	69.1	12.1	64.5	17.5	55.1

CSO: 4600/364

NEW OIL DRILLING SITE INAUGURATED

GF051220 Karachi DAWN in English 31 Jan 84 p 10

[Text] Tando Alam, 30 Jan--Two black goats were sacrificed, their blood splashed on the newly erected 30-foot high platform and all hands were raised in prayers for discovery of oil, as the federal petroleum minister spudded-in this year's sixth OGDC [Oil and Gas Development Corporation] well, here this afternoon.

Before a sizeable local crowd including workers and oil technicians, the minister, retired Maj Gen Rao Farman Ali and other OGDC officials expressed confidence that unlike their last venture--the Khathar well just 40 km away--this new effort would bear fruit, i.e., oil or gas.

Tando Alam well No 1, located ten miles southeast of Hyderabad is expected to cost around US dollars 3.5 million, is the most suitable in the area since oil or gas has already been found in its north, south and western areas, officials explained to the visiting newsmen.

The first target of the drillers using an American rig and four Canadian technicians, who are also imparting training to Pakistani staff, is to reach the depth of 2,140 metres where the 8 km long and 4 km wide sub-surface structure is located, embedded in 60 million years old rock formations. They will later go to a depth of 3,500 metres.

For geologists it looks like the most ideal place where oil could be trapped, and unlike the Khathar well, it does not contain any geological "faults," a term used for marked breaks in rock formations along which they move up or down.

In Khathar, Maj Gen Rao Farman Ali explained, making an impromptu speech, the fault probably occurred when oil had already moved out of that structure because tests and data collected from that well showed oil had been there.

"But we are no fools," he declared, when a newsman wanted to know whether the 3.5 million dollars spent on Khathar had been wasted. "We study the situation well before going in for such huge investments. I will never let the OGDC start drilling anywhere it likes unless proper geological, seismic and other relevant data is available and it indicates possible presence of oil."

The minister added: "No one in the world can tell you on the ground that oil exists underneath. Neither satellites nor any expert can do that. If oil has to be found, we have to go into the heart of the earth and this becomes a very risky game."

But, he said, it was not impossible to stop taking this risk. If one well has failed, we will drill another and go on.

In Pakistan the ratio of success has been high as compared to the normal ratio of one successful well in eight, he said. "We have so far achieved a ratio of 1:5 and in the last two years it has been 1:3," Rao Farman stressed.

Making use of the occasion, the OGDC chairman, Mr. M.H. Rizvi and other senior officials recounted the performance of their corporation and a detailed press release said during 1983-84, five wells had already been drilled, Tando Alam was the sixth, and six more were still on the cards--making it an all time record in OGDC history.

Besides these, production testing has been carried out in Dakhni, in two wells each in Toot and Pirkoh. The Toot wells 16 and 17 have already started production and Pirkoh 2-A and 5 are now established gas-producing wells.

Finances have been arranged from different sources including a World Bank loan of US dollars 51.5 million for six exploratory wells, another World Bank loan of US dollars 30 million for second phase of Toot, an Asian Bank loan of US dollars 29.8 million for the Pirkoh field and a commitment from the same bank for the second phase of Pirkoh as well.

Likewise an agreement has been signed with USSR for supply of two new rigs at a cost of US dollars 6 million, payable partly in kind and partly in cash. The first rig will reach Pakistan at the end of this year and the second early in 1985. Canada will provide assistance of 8 to 10 million dollars in the next five years for training needs of OGDC.

CSO: 4600/369

ECONOMIC GROWTH MAY FALL SHORT OF TARGET

Islamabad THE MUSLIM in English 6 Feb 84 p 1

[Text]

KARACHI, Feb. 5: The country's economic growth rate is anticipated at 5 per cent this year against the officially set target of 6.4 per cent under the Sixth Five Year Plan, it was gathered here.

Official estimates are based on about five to six months performance of the national economy. The average rate of growth during the past five years has been 6.5 per cent.

According to various economic indicators, the primary cause of slow pace of growth is the setback received by the agricultural sector by the substantial fall in cotton output and the unofficial forecast of decline in basmati rice crop. The prolonged drought in barani areas has also created doubts whether the wheat output target will be achieved. Onions, which do not have significant weightage in overall farm production, have to be imported.

During the last fiscal year, agriculture contributed 29.7 per cent to the gross domestic product. As a cash crop, cotton has a great weightage in the agriculture sector and is also a major foreign exchange earner. Pakistan would import some quantity of cotton this year primarily to stabilise prices that have soared because of speculative buying.

Local production is, however, enough, according to current indications, to take care of the domestic industry.

Foreign trade, which contributes about 30 per cent to the GDP, does not offer much potential for growth as far as imports are concerned. Import substitution plus costly imports (owing to ever-depreciating value of the rupee vis-a-vis the intervention currency (the US dollar), have brought about near-stagnation in imports. Against a drop of 4 per cent in the outgoing fiscal year, the imports have picked up by 2 per cent during July-November this year. No doubt exports which roughly account for 50 per cent of the import bill, have gone up by 30 per cent.

Though provisional official figures show that home remittances grew by 10 per cent during the first five months of the current fiscal year, they are reported to have dropped by 10 per cent in December 1983 when compared to December 1982.

The domestic rate of savings, in the vicinity of 5.8 per cent, is expected to be eroded this year by the swelling rate of inflation some officials estimate that the fiscal year ending June 1984 would end up with an inflation rate of about 12 per

cent.

To quote a highly placed official, Pakistan's growth rate has a peculiar feature. There is growth without much investment and there is investment without much savings. Liberal assistance from the international lending institutions and other donors have helped finance liberal imports of raw materials and have helped boost industrial production. National savings rate may be adversely affected if overall growth in home remittances of 30 per cent, estimated last year, slackens or peters out.

Official exports as well as the Governor of the State Bank believe that the industrial growth for the current year has, however, been satisfactory. The contribution of manufacturing in GDP is in the vicinity of 17.5 per cent.

SMALLER WHEAT HARVEST FEARED

Islamabad THE MUSLIM in English 5 Feb 84 p 1

[Article by Sikander Hayat]

[Text]

ISLAMABAD, Feb. 4: The wheat target for the current crop may not be met despite yesterday's light rain in some parts of the country because "considerable" damage has already been done to the crop. Experts believe that the shortfall can be as much as a million tons, meaning thereby that even last year's production level will not be touched.

The government, in its latest estimate, expects the current wheat crop to be around 13 million tons which is 600,000 tons more than produced last year. The increase is based on the assumption that the yield per hectare will go up from the present 1.7 tons to 1.8 tons.

At the time of sowing, the Agriculture Ministry had hoped that the area under cultivation would increase by 2 to 4 per cent. But the latest official figures indicate that the acreage has remained static at 7.27 million hectares.

The major shortfall is feared in the rainfed areas which account for 21.7 per cent of the total wheat acreage. Last year these areas produced 1.46 million tons,

but as a result of the prolonged drought, the production from rainfed areas could be 30 per cent less.

CROP AFFECTED

According to eye-witnesses from the Potohar, which produces 70 per cent of the wheat from the rainfed areas, the wheat plant in this region is not growing to the desired size. With shorter and weaker stem, the ears of the wheat tend to appear early and carry less grain.

Due to the long spell of drought the roots of the plants have also been infested with pest. Since the rainfed areas are very thinly covered with pest scouting and pest treatment, the disease is already creating havoc.

Against an average of 125 millimeters rain in these areas,

there has been only a trace of rain or very light showers, and that too late in the season when considerable damage to the crop has already been done.

In the irrigated areas which produce about 88 per cent of the wheat the situation is not alarming but it is not satisfactory either. The rains have not fallen there also, reducing the moisture content in the air to the minimum. This is affecting the growth of the plant.

According to reports from the canal-irrigated areas there has been a serious slump in the use of fertilizer. With the cost of inputs having gone up, the farmers no longer feel disposed to invest more in the wheat crop.

Poor return from the cotton crop has also adversely affected the use of fertilizer, because it has drastically impaired the growers capacity to spend more money on wheat.

Current load-shedding and late opening of canals are said to be additional factors which may affect the production target.

Pakistan hopes to export 750,000 tons of wheat this year compared with half a million tons last year. But, in view of likely lower production this hope may not materialise.

CONCERN OVER FALL IN OVERSEAS REMITTANCES

Islamabad THE MUSLIM in English 1 Feb 84 p 1

[Text]

ISLAMABAD, Jan. 31: It is yet difficult to say definitely whether Pakistan's remittances boom is over but those monitoring the monthly figures in the corridors of power here are a bit concerned at the latest statistics.

For the first time in recent years, the monthly figure for December 1983 has recorded a 10 per cent drop over the corresponding figure in December 1982. This is also good nine per cent lower than the figure in the preceding month of November.

Over the last 10 years, remittances from Pakistanis working abroad rose dramatically, from an annual figure of over \$ 577 million

in 1976-77 to over \$ 2885 million during 1982-83. They are now larger than the total export earnings from merchandize and responsible for comfortable reserves. A major reversal of this trade could seriously threaten Pakistan's balance of payments relatively happy position. Experts are now probing whether it is a temporary phenomenon or a beginning of a long-term reversal of the earlier trend.

A temporary setback could stem from sudden leap in the value of the dollar in recent weeks. This means for the same amount of rupees, Pakistan may be receiving lesser dollars. With a fall in the value of dollar, this situation could correct itself.

But it is also possible that economic slow-down in the oil-rich Gulf region—from where 90

per cent of remittances now emanate—is seriously affecting job opportunities for Pakistanis. If this is so, economic policy-makers here have to plan on the basis of drastically reduced flow of remittances. There are clear indications that a drop in OPEC oil price has seriously affected development activity in the Gulf region.

During 1982-83, of the total remittances of \$ 2,885 million, over \$ 2,400 million came from the Middle East region, \$ 161 million from United Kingdom and \$ 133 million from the United States. Incidentally in 1972-73, U.K. was the single largest source and flow from the Middle East region was one-third of what was being received from U.K.

CSO: 4600/373

REFINERY EXPANSION PROJECT TO BE COMPLETED BY JUNE

Islamabad THE MUSLIM in English 10 Feb 84 p 8

[Text] KARACHI, Feb. 9: Work on the Rs. two billion Lube Expansion Project at the National Refinery here will be completed by the Industrial Import-Export Corporation of Romania by June, 1984.

This was stated at a meeting here this morning between a visiting Romanian Economic delegation led by Vice-Premier Ion M. Nicolae and Mahmood Ali Khan, Personnel and Corporated Corporation (PEARC).

Mahmood Ali Khan told APP after the meeting that work on the Lube Expansion Project began in 1981.

It was originally estimated to cost Rs. 1,468 million. With a foreign exchange component equivalent to Rs. 739 million, but "due to the previous rupee-dollar linkage" there had been a 30 per cent increase in its overall cost, bringing it to the neighbourhood of around Rs. two billion.

The National Refinery's upcoming Lube Expansion Plant, on completion, will produce 100,000 tons of lubricant oil and 120,000 tons of asphalt per year using furnace oil as its' raw material.

Furnace oil is a residue of refining process whereby crude oil is turned into useable refined oil of various types. And is presently just burned away.

Depending on the quality of the crude oil being refined, 20-30 per cent of it is left as a residue in the form of furnace oil.

Some of this furnace oil being produced as a residue of the oil refining process at Pakistani refineries is being utilised by the 85,000 tons Lube Plant already in operation at the National Refinery.

However, this existing Lube Plant is insufficient to meet domestic demand for lubricating oil, and so it is being expanded by more than doubling its' present capacity through the new project scheduled to be complete by June this year.

Completion of the Lube Plant expansion project will result in substantial foreign exchange savings, since Pakistan is importing a fair amount of lubricating oil to meet the shortfall in supply.

Mr. Mahmood Ali Khan said Pakistani specialists and technicians have been associated with the Lube Plant expansion project throughout and "a true transfer of technology" has taken place due to the cooperation of the Romanian side.

He said probable Romanian involvement in two other projects presently under consideration by PEARC also came up for discussion at today's meeting.

The first is a Coal Tar Distillation Plant which could produce feed stocks for an existing PEARC Carbon Black Plant and such other products as Road Carpetting Materials, Coal Binders etc.

25 per cent of the coal tar distillates produced at the contemplated coal tar plant could be used as a feed stock for the existing Carbon Black Unit, where it would result in a 25 to 30 per cent higher yield.

However, Mahmood Ali Khan explained there are certain technical problems, regarding use of the remaining 75 per cent of the proposed coal tar distilling plant's products which will be in the form of pitch. A thorough study will have to be made regarding their marketability and the entire unit's commercial feasibility.

The third question discussed at today's meeting was a new qERAC project, namely construction of a "Hydro Cracker" unit, which will be a secondary process refinery where kerosene oil, diesel etc. is produced from furnace oil.--APP

CSO: 4600/380

RELEASE OF 'AILING LEADERS' URGED

Islamabad THE MUSLIM in English 6 Feb 84 p 4

[Editorial: "Ailing Leaders"]

[Text] THE medical board set up to examine Mir Ghous Bakhsh Bizenjo has recommended that the ailing leaders, afflicted with ear trouble and some spinal malady, be allowed to go abroad for treatment. He has been under detention for several months which has greatly impaired his health. Political leaders are not criminals to be locked up and made to languish in one prison house after another. Mr Bizenjo has had enough of it and it is time he was not only allowed to go abroad for treatment, but was also set free. Yet another case is that of Mr. Rasool Bakhsh Paleejo who has been subjected to unduly harsh treatment. He has spent several years in jail. The inordinately long periods he has spent in confinement have shattered his health. A spokesman of the defunct Sind Awami Tehrik (SAT) has expressed concern over the stoppage of Mr. Paleejo's treatment who has now been shifted to Landhi Jail.

In a statement issued by the spokesman of the defunct SAT, it has been said that relatives of Mr. Paleejo were not being allowed to meet him in jail. The prison authorities are reported to have held that as they had not received any instructions from the Home Secretary authorising them to allow the detenu's relatives to see him, it was not possible for them to permit such meetings. It is not understandable why this particular leader has been singled out for such exceptionable treatment. He has been behind bars for far too long for him to endure any more of it.

The authorities first allowed Begum Nusrat Bhutto to go abroad for treatment. Most recently, this privilege was extended to Miss Benazir Bhutto who was made to depart at short notice and in strict secrecy. If this was done on compassionate grounds, that tender feeling should also be shown to Mr. Bizenjo and Mr. Paleejo. They should not only be set free but allowed to proceed abroad for treatment.

CSO: 4600/374

BRIEFS

SUGAR TO IRAN--Pakistan will export 100,000 metric tons of sugar to Iran during this year. This was told to the minister of state for food and agriculture, Zofarullah Khan Jamali, during his inspection visit to Thatta Sugarmill. [Excerpt] [Karachi Overseas Service in Urdu 0500 GMT 30 Jan 84 BK]

ENVOYS PRESENT CREDENTIALS--The ambassadors-designate of Mauritius, Thailand, and Bulgaria presented their credentials to the president at an impressive ceremony at the Presidency in Rawalpindi yesterday evening. [Text] [BK040625 Karachi Domestic Service in Urdu 0200 GMT 3 Feb 84 BK]

JAPANESE GRANT AGREEMENTS--Two agreements were signed in Islamabad today under which Japan is to grant about 182 million rupees. The first grant of about 168 million rupees will be given for increasing food production under a Japanese aid program. Pakistan will spend this amount for importing chemical fertilizers from Japan. The second grant of about 14 million rupees will be used for implementation of a program for development of energy resources in rural areas under which solar power stations will be set up in remote areas of the country. [Text] [Karachi Domestic Service in Urdu 1500 GMT 2 Feb 84 BK]

ENVOY TO PHILIPPINES--The Government of Pakistan has appointed Mr Aftab Ahmed Khan as ambassador to the Philippines. [Text] [Karachi Domestic Service in Urdu 0600 GMT 4 Feb 84 BK]

WORLD BANK LOAN--The World Bank has approved funds totaling \$100 million to assist Pakistan in streamlining its system of providing credit to medium- and large-scale enterprises. In a statement, the World Bank said Pakistan will get \$50 million from its affiliate, the International Development Association, and the remaining \$50 million directly from the World Bank as credit. [Excerpt] [Karachi Domestic Service in Urdu 0200 GMT 7 Feb 84 BK]

PROPOSAL FOR ANOTHER AIRLINE--KARACHI, Feb. 5: The Commercial Pilots Association of Pakistan has appreciated the efforts being made by the Defence Secretary to consider the proposal for the establishment of another airline or to increase PIAC fleet. We termed it as a constructive measure. The association has been striving hard for the consideration of the same proposal for last 4-5, years. It is hoped that the Government would take the final decision soon. The association has also welcomed the decision taken by the PIAC to buy some new Boeing 737-300 aircrafts. It is also hoped that the PIAC would recognised the legitimate rights of the commercial pilots and would provide equal employment opportunity to them, on the basis of open competition. [Text] [Islamabad THE MUSLIM in English 6 Feb 84 p 6]

IRANIAN CONSULATE THANKS SUPPORTERS--We would like to express our sincere gratitude to all the parties, personalities, businessmen and brothers from the Muslim nation of Pakistan, who have extended their greetings to us by telegrams, telephone, letters and through the local newspapers on the occasion of the fifth anniversary of the Islamic Revolution in Iran. Reciprocating their kind and Islamic sentiments, we avail this opportunity to likewise congratulate all the oppressed, the deprived and the free-thinking intellectuals of the world, in this connection. We earnestly hope and desire that this revolution may be a harbinger of freedom of mankind from the domination of the oppressive powers and their liberation from the political, cultural and social bondage of tyrannical anti-human systems of government throughout the world. May Allah help us to march forward towards the attainment of a society blessed with divine laws and divine values. [Text] [GF201452 Karachi DAWN in English 15 Feb 84]

CSO: 4600/369

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